

SEC3

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)

) File No. HO-13388-A

KIK INTERACTIVE)

WITNESS: Erin Clift

PAGES: 1 through 228

PLACE: U.S. Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549

DATE: Thursday, July 26, 2018

The above-entitled matter came on for hearing,
pursuant to notice, at 9:45 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 On behalf of the Securities and Exchange Commission:</p> <p>4 BRENT MITCHELL, ESQ.</p> <p>5 JAMES MURTHA, ESQ.</p> <p>6 JEFF LEASURE, ESQ.</p> <p>7 STEPHAN SCHLEGELMILCH, ESQ.</p> <p>8 Securities and Exchange Commission</p> <p>9 100 F Street, N.E.</p> <p>10 Washington, D.C. 20549</p> <p>11 202.551.4683</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 4</p> <p>1 C O N T E N T S</p> <p>2 WITNESS: EXAMINATION</p> <p>3 Erin Clift 5</p> <p>4 EXHIBITS DESCRIPTION IDENTIFIED</p> <p>5 78 E-mail 61</p> <p>6 79 Notes 73</p> <p>7 80 Financing Update 115</p> <p>8 81 E-mail 120</p> <p>9 82 E-mail 123</p> <p>10 83 E-mail 137</p> <p>11 84 E-mail 156</p> <p>12 85 Presentation 158</p> <p>13 86 Brief 188</p> <p>14 87 E-mail 203</p> <p>15 88 Press Release 207</p> <p>16 89 E-mail 214</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES(CONT.)</p> <p>2</p> <p>3 On behalf of the Witness:</p> <p>4 LUKE CADIGAN, ESQ.</p> <p>5 BRETT DEJARNETTE, ESQ.</p> <p>6 Cooley LLP</p> <p>7 500 Boylston Street</p> <p>8 Boston, Massachusetts 02116</p> <p>9 617.937.2480</p> <p>10</p> <p>11 Also Present:</p> <p>12 Fred Walker, Videographer</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 5</p> <p>1 P R O C E E D I N G S</p> <p>2 MR. MITCHELL: Okay. We are on the record</p> <p>3 at 9:45 a.m. Ms. Clift, can you raise your right hand?</p> <p>4 Do you swear or affirm to tell the truth,</p> <p>5 the whole truth, and nothing but the truth?</p> <p>6 THE WITNESS: Yes.</p> <p>7 EXAMINATION</p> <p>8 BY MR. MITCHELL:</p> <p>9 Q Can you please state and spell your full</p> <p>10 name for the record?</p> <p>11 A Erin Clift. E-r-i-n, C-l-i-f-t.</p> <p>12 Q Okay. My name is Brent Mitchell. And with</p> <p>13 me today are James Murtha, Jeff Leasure, and Stephen</p> <p>14 Schlegelmilch. We are all officers of the Commission</p> <p>15 for purposes of this proceeding. This is an</p> <p>16 investigation of the United States Securities and</p> <p>17 Exchange Commission in the matter of Kik Interactive to</p> <p>18 determine whether there have been violations of certain</p> <p>19 provisions of the federal securities laws.</p> <p>20 However, the facts developed in this</p> <p>21 investigation might constitute violations of other</p> <p>22 federal or state, civil or criminal laws. Prior to the</p> <p>23 opening of the record, I gave you a copy of the formal</p> <p>24 order of investigation and the supplement. Those will</p> <p>25 be available for your examination during the course of</p>

Page 6

1 today.

2 **Ms. Clift, have you had an opportunity to**
3 **review those, the order and the supplement?**

4 A Yes.

5 **Q Also, beforehand, I gave you what has been**
6 **marked as Exhibit 1. Exhibit 1 is the Commission**
7 **supplemental information form. It's often called a**
8 **Form 1662. Have you had the opportunity to read**
9 **Exhibit 1?**

10 A Yes.

11 **Q Do you have any questions about it?**

12 A No.

13 **Q Are you represented today by counsel?**

14 A Yes.

15 **Q Could you -- could your counsel identify**
16 **themselves?**

17 MR. CADIGAN: Yeah. Luke Cadigan of
18 Cooley.

19 MR. DEJARNETTE: Brett DeJarnette with
20 Cooley.

21 MR. MITCHELL: Can one of you sort of give
22 a list of who else you represent in this investigation?

23 MR. CADIGAN: Oh, we represent Kik. We
24 represent Union Square Ventures.

25 And do we have any other formal

Page 8

1 Corporation, which was a full-service internet
2 consulting company. Following that, I helped seed a
3 startup called Goliath Falls, which did not last very
4 long.

5 And from there, I went to be the director
6 of marketing at Oprah.com inside of Harpo Studios. In
7 2002, I left there and joined Google. I spent about
8 seven and a half years at Google, both on the marketing
9 and the revenue side. So I had two roles there. I
10 started their business-to-business vertical on the
11 advertising side. And then I built their agency
12 development team.

13 I left Google in 2009 and joined AOL where
14 I was the senior vice president of sales development
15 and brand experiences. And after two and a half years
16 there, I left and I went to Spotify. And I built out
17 their global marketing and partnerships organization in
18 the role of vice president. I left there in 2015 and
19 joined Kik in early 2016 as their chief marketing
20 officer. I left Kik in September of 2017, and I joined
21 Waze. And I am their head of global marketing and
22 partnerships -- their CMO, those titles.

23 **Q All right. Let me just take you through a**
24 **couple of these things --**

25 A Yeah.

Page 7

1 representation?

2 MR. DEJARNETTE: Eran Ben-Ari.

3 MR. MITCHELL: Okay. You also represent
4 Mr. Livingston?

5 MR. DEJARNETTE: Mr. Livingston, Mr. Philp,
6 Mr. Heinke. I believe that's it.

7 MR. MITCHELL: Okay.

8 MR. CADIGAN: And Fred Wilson.

9 MR. MITCHELL: And today, you're
10 representing Ms. Clift?

11 MR. CADIGAN: Yes.

12 MR. MITCHELL: Okay. So...

13 MR. DEJARNETTE: And Phillip Yang as well.

14 MR. MITCHELL: Oh, you represent Phillip
15 Yang?

16 MR. DEJARNETTE: That's correct.

17 BY MR. MITCHELL:

18 **Q All right. Ms. Clift, can you just sort of**
19 **at a resume level sort of run us through your education**
20 **and your work experience after high school?**

21 A Sure. I went to Indiana University. After
22 graduation, I moved to Chicago. I was a social worker
23 for a year and then proceeded to start a career in
24 marketing. I worked at American National Bank. I went
25 from there to a company called Neoglyphics Media

Page 9

1 **Q -- I'm not 100 percent sure with.**

2 **When you worked at Oprah.com, I think you**
3 **said -- I'm sorry. When you worked at Google, you**
4 **worked on their business-to-business vertical?**

5 A So early -- it was before the product
6 AdWords was created. So my job -- my initial job at
7 Google, I joined a small team called the vertical
8 markets team. And our job was to look at the billions
9 of search queries that were happening, and try to
10 better understand industries, type of things that
11 people were looking for.

12 And we, once AdWords was launched, sort of
13 helped build a monetization practice on that. So the
14 business that I worked with, companies and logistic
15 space, diversified manufacturing like GE, services.

16 **Q Sort of helping them figure out --**

17 A How to use Google, to connect with
18 potential people who are looking for their products and
19 services.

20 **Q Okay. And what is the -- what is an agency**
21 **development team?**

22 A So most of the world's advertising dollars
23 are controlled by big advertising agencies that roll up
24 into holding companies. And my job there was to help
25 those organizations better educate themselves in

Page 10

1 search. I spent a lot of time trying to better
2 understand the economics of those businesses so they
3 could understand how to build discipline and teams in
4 order to support search. If you recall, at the time,
5 it was a brand new medium. People didn't understand
6 it. So my job was to help them understand it.

7 **Q And then at AOL -- my apologies. Senior --**

8 A Vice president.

9 **Q And, sorry, you were doing sales
10 development?**

11 A So most of my career has been spent in
12 marketing roles. All of my career has been spent in
13 marketing roles. I -- both -- within those marketing
14 roles, my job has been to develop brands and audiences,
15 but also to help accelerate monetization.

16 So in the capacity of AOL, my job was to
17 build out programs and teams that educate, inspire, and
18 create an evangelist of the AOL products that would
19 then turn into potential revenue opportunities through
20 ad sales.

21 **Q Evangelist. Inside the company or outside
22 the company?**

23 A Outside of the company. So get people to
24 really love our products, love the content we were
25 building, those types of things.

Page 11

1 **Q Okay. And then at Spotify, you ran global
2 marketing and partnerships?**

3 A Yes.

4 **Q What does partnership mean?**

5 A So at Spotify, I helped build out their
6 global brand. So I built a brand and creative
7 organization, consumer and product marketing teams.
8 And on the partnership side, when we started
9 distributing -- so in the early years, people would
10 have to download Spotify and use Spotify on Spotify
11 apps. And later on, we started working with other text
12 organization who could distribute Spotify through their
13 own experiences.

14 So if you're in your car and you use
15 Spotify, if you go into a Starbucks and there's Spotify
16 on, or if you are a PlayStation user, I worked with
17 companies to connect audiences and other places into
18 the Spotify.

19 **Q And when you went to Kik, you were the
20 chief marketing officer?**

21 A Yes.

22 **Q Okay. And so what did -- what did you do
23 in your role? What were you responsible for?**

24 A So initially, I was hired to help the
25 company figure out how to better build products and

Page 12

1 services that would appeal to their current audience.
2 And in doing so, to help them fuel growth in the Kik
3 consumer audience.

4 **Q What do you mean build products that
5 would --**

6 A Help them -- I would say help them
7 understand their audience. So the core role of a chief
8 marketing officer really is the custodian of the
9 consumer. So my job is to help them better understand
10 their audience at the time, which was largely
11 teenagers, so that they could better think about
12 products and services that would appeal to that
13 demographic.

14 **Q And so what fell under the marketing role?**

15 A In terms of teams or in terms of
16 responsibility?

17 **Q I'm not sure I understand the difference.
18 So why don't we do the responsibility first.**

19 A So, you know, when I was hired into Kik,
20 the role would include understanding our audience. So
21 that might be research, focus groups, brand strategy.
22 It would be to package that for internal teams so they
23 could actually turn those insights into -- to help them
24 think better through products. I led our PR and
25 communications group, which would also include social.

Page 13

1 So the types of things that Kik did in social channels.

2 And at the time at Kik, that was largely --
3 they were a pretty sort of a turnaround organization,
4 so that was pretty much the extent of it.

5 **Q What do you mean it was a turnaround
6 organization?**

7 A Kik had been -- you know, they were
8 arguably the first cross-platform messenger. And they
9 had had experience -- some pretty amazing growth. And
10 then, fast forward a few years, there were lots of
11 other companies in that space who had a lot more
12 resources and were building different types of product
13 and services.

14 And so while Kik had once enjoyed probably
15 being one of the premier chat apps, and continue lead
16 the way from a vision perspective, they were just
17 struggling to really connect that to audiences.

18 **Q And that's at the time that you joined?**

19 A Correct.

20 **Q I think you said that you -- you had
21 internal customers where you were helping them
22 understand the audience so that they could create
23 products. Did I say that right?**

24 A Yes.

25 **Q Okay. So what -- I guess I'm not sure what**

1 **that means.**
 2 A So I -- so as an example, we worked with a
 3 company who helped us do brand strategy work. And in
 4 doing so, we did a series of research, both
 5 quantitative and qualitative, and then a customer
 6 segmentation. The end result of that is better
 7 understanding who is the right audience for the types
 8 of experiences that lived inside of Kik; what were the
 9 tensions or problems that a chat messenger app could
 10 solve for a teen audience.

11 So through that, we would package that
 12 research. And then the product organization would use
 13 that to inform the types of product that would be
 14 created. I would use that to inform the types of
 15 marketing communications that might be created. HR
 16 might use that to inform the type of people they wanted
 17 to recruit into specific roles. Does that help?

18 **Q Yeah. I guess, how does understanding the**
 19 **audience go into creating a product?**

20 A Well, I think that people are generally
 21 interested in using products that are relevant to them.
 22 So it helps the product be relevant.

23 **Q Oh, I'm sorry. So the product at Kik isn't**
 24 **just the whole app. There are things -- you're talking**
 25 **about things --**

1 A There's features. Sorry. Yeah.

2 **Q Okay. Sorry.**

3 A There are features. Features.

4 **Q All right. So --**

5 A There are features inside of the app.

6 **Q Got it. So group chat or something else?**

7 A Sure. Stickers, emojis.

8 **Q Got it.**

9 A Games.

10 **Q I'm sorry. I think I was stuck on the idea**
 11 **of you had an app. And I'm trying to figure out**
 12 **whether you have some other product. Okay. Sorry. So**
 13 **you said you were in charge -- in your marketing role,**
 14 **you had the PR and communications teams.**

15 **Did you have a role in -- so I assume you**
 16 **had a role in when the company made, like, press**
 17 **releases or other kind of public statements like that?**

18 A Correct.

19 **Q What was your role?**

20 A I managed the team who managed the agencies
 21 who helped us create those press releases. So I
 22 worked -- I guided strategy. And I was responsible for
 23 the execution of that.

24 **Q And who -- was there a person who ran that**
 25 **team?**

1 A Rod.

2 **Q Rod?**

3 A McLeod.

4 **Q McLeod?**

5 A Yeah.

6 **Q M-c, big L, e-o-d?**

7 A L-e-o-d, yes.

8 **Q And did you have a role in Kik's sort of**
 9 **reaching out to reporters and the press and the people**
 10 **who would write about things?**

11 A No, not directly.

12 **Q Okay. Who did that?**

13 A Rod.

14 **Q Oh, okay. You oversaw the team that did**
 15 **that?**

16 A Correct.

17 **Q And what about -- I think you mentioned**
 18 **social. What -- what kind of social media did --**

19 A At Kik, we engaged with our consumer
 20 audience through places like Instagram, Snapchat,
 21 Facebook to a limited extent. Those were the three
 22 primary channels. And we would create images, games,
 23 just try to get them to engage with Kik. And that
 24 group also fell under Rod's purview within the PR and
 25 communications group.

1 **Q Sorry. How did you do that? Take**
 2 **Instagram as an example.**

3 A You would post a photo, post a meme, post a
 4 new sticker that we might have put as a feature inside
 5 of Kik to let our audience who followed us know about
 6 that feature.

7 **Q Got it. In the regular business, did you**
 8 **use Reddit?**

9 A No.

10 **Q Why not?**

11 A Reddit was not a community that teens
 12 aggregated on. So we focused on social channels where
 13 teens spent more of their time. And Reddit was not one
 14 of those channels.

15 **Q Okay. So as a person who has a Twitter**
 16 **account, I'm not sure I'm going to like the answer to**
 17 **this. But why didn't you use Twitter?**

18 A We did use Twitter.

19 **Q You did use Twitter.**

20 A Yes. Yes.

21 **Q Okay. Good. All right. So Twitter was**
 22 **not just for old people?**

23 A It didn't have a big following.

24 **Q Okay. Yeah. I feel that more and more.**
 25 **What about Medium?**

Page 18

1 A Yes.

2 **Q What did -- how did you use Medium?**

3 A Medium is typically used for more of

4 industry news and point of views. So we would often

5 use Medium to share vision from ten, put a point of

6 view out about something that might have happened in

7 the industry. But it was -- it was not used for a

8 consumer audience. It's largely used for more of a

9 BTB, or business-to-business audience.

10 **Q And what about Slack?**

11 A Slack is a community tool. We use Slack

12 internally inside of Kik. But Slack was not used for

13 the Kik consumer audience. It was used further in

14 the -- down the line.

15 **Q What do you mean further down the line?**

16 A We use -- Kik was a tool to aggregate

17 crypto enthusiasts. So that is a place where -- so

18 Slack is a great tool to create a community and have a

19 chance to engage with that community.

20 **Q I think you just said Kik is a tool.**

21 A Slack.

22 **Q Slack is a tool?**

23 A I meant Slack is a tool.

24 **Q So you didn't use it to approach the Kik**

25 **app users?**

Page 19

1 A No.

2 **Q You used it for something else?**

3 A Correct.

4 **Q So I guess can you explain again why. So**

5 **at some point -- I'm sorry. At some point, you used**

6 **Slack. What did you use it for?**

7 A Yes. Slack is not a consumer tool. It's

8 not a consumer social channel. So it would not be used

9 in the day-to-day practice for a consumer app like Kik.

10 Slack was used once we launched our intention for the

11 Kin project. And it was a place where crypto

12 enthusiasts who were interested in the project could

13 come talk to each other and to ask questions of the Kik

14 team who was putting out the Kin project.

15 **Q And so why use Slack versus another social?**

16 A So, again, social channels are one-way

17 communication channels. Slack is a two-way

18 communication channel. So that is -- that would be the

19 reason.

20 **Q And what about Telegram?**

21 A I would not be able to answer that because

22 it was not used during my tenure.

23 **Q When you were working at Kik -- sorry. Did**

24 **your role at Kik change during the time you were there?**

25 A I wouldn't say that my role was redefined.

Page 20

1 I would say that the company evolved.

2 **Q What do you mean?**

3 A So my title never changed. But where --

4 when I was hired, we were focused on building out a

5 chat community of teens. We ended up evolving into the

6 creation and support of the Kin project.

7 **Q Okay. Mostly, I'm asking just to see if**

8 **your job changed. We discussed your -- up until now,**

9 **we've been sort of discussing your role and what your**

10 **responsibilities were. Those stayed stable during the**

11 **time you were there?**

12 A My role did not fundamentally change.

13 **Q While you were there, was anyone -- was**

14 **there any marketing separate from your organization and**

15 **teams?**

16 A No.

17 **Q So -- and what had led you to go from --**

18 **well, sorry. When you left Spotify, did you know you**

19 **were going to Kik?**

20 A I did. I had not formally signed, but I

21 had intended to go to Kik.

22 **Q So what -- sort of what drew you to Kik?**

23 A I am a builder. I like where -- I like --

24 I gravitate towards companies where technology is doing

25 interesting things. During my time at Spotify, as part

Page 21

1 of my role in partnerships, we spent a lot of time in

2 the messaging space. And at the time, I was really

3 drawn to messaging as a platform, which I had not seen

4 it that way before. And what I mean "platform" is an

5 open platform that can scale the same way that other

6 platforms do. And I was drawn to that.

7 I was drawn to the fact that they were

8 really focused on a teen audience, which was

9 interesting to me professionally, but also personally

10 as a parent. And I liked -- I was -- I liked the --

11 going back to a small company. I liked the chance to

12 work with a small team. And I particularly liked not

13 having to travel around the globe.

14 **Q Which had been part of the Spotify job?**

15 A Correct.

16 **Q Okay. So when you -- so while you were at**

17 **Kik, who -- who were key executives at Kik?**

18 A Ted. When I was hired, it was Ted; and

19 Chris Best, who was a co-founder and at the time was a

20 CTO and I guess also running product; Peter, who is a

21 chief financial officer; a gentleman by the name of

22 Josh Jacobs, who at the time was running revenue; Alim

23 Dhanji, who was running human resources.

24 I may be forgetting somebody, but that's

25 the best of my recollection. I'm pretty sure that was

1 the executive team.

2 **Q Okay. Let me just walk through a couple of**

3 **them. Ted Livingston was the CEO at that time?**

4 A Correct.

5 **Q I guess what happened to Chris Best?**

6 A Chris decided to leave the company after

7 the acquisition of Rounds.

8 **Q Did he explain why?**

9 A In his note, I think that he was -- I think

10 that he felt completed in his journey at Kik, and that

11 somebody else would be better suited to take on the

12 role.

13 **Q And do you know what he went on to do?**

14 A I believe that he started another startup,

15 but I don't -- I don't keep in touch.

16 **Q Peter Heinke, when you got to Kik, was the**

17 **CFO?**

18 A Correct. Also carried the COO title.

19 **Q Okay. Josh Jacobs did -- I don't know what**

20 **"did revenue" means.**

21 A So I think his formal title actually was

22 president and chief revenue officer perhaps. So his

23 job was to build out products that would appeal to

24 advertisers and help the company make money through

25 advertising. That was the primary source of revenue at

1 Kik.

2 **Q Okay. And at some point, he left the**

3 **company?**

4 A Yes.

5 **Q What happened?**

6 A I think that it just wasn't working well,

7 to the best of my recollection.

8 **Q Okay.**

9 A But I wasn't part of those conversations.

10 **Q All right. And then I guess Alim --**

11 **A Alim, A-l-i-m.**

12 **Q Can you spell his last name for the**

13 **reporter, too?**

14 A D-h-a-n-j-i.

15 **Q And he ran HR?**

16 A Correct.

17 **Q And at some point, he left as well?**

18 A Correct. He left in August of last year,

19 2017.

20 **Q What happened?**

21 A He was terminated.

22 **Q Do you know why?**

23 A I don't directly. That is a conversation

24 you should probably have with Ted.

25 **Q Okay. There's some other people who -- I**

1 **just want to see where they fit in. There's a person**

2 **named Tanner Philp, P-h-i-l-p.**

3 A Yes.

4 **Q What was his role while you were at Kik?**

5 A Tanner had a couple of different roles.

6 He's a highly intelligent, highly motivated young up

7 and coming professional. And he had been at Kik longer

8 than me. I believe he sat in various roles of

9 strategy, technology, product management. And then I

10 think ultimately ended up working for Peter directly.

11 **Q Okay. Danny Fishel, F-i-s-h-e-l?**

12 A Yes. Danny was the CEO of a company that

13 Kik acquired called Rounds. When -- post-acquisition,

14 to the best of my recollection, Danny joined the

15 executive team and was in charge of the Israel site,

16 and now I believe lives in the United States.

17 **Q And what did he do while he was -- during**

18 **the time that you overlapped, what did he do for the**

19 **company?**

20 A He managed the products and technology

21 teams in Tel Aviv. So they worked on various projects

22 such as group chat or different types of photo filters.

23 And Danny managed that group.

24 **Q Okay. And was there -- was there also a**

25 **product team in Canada?**

1 A Yes.

2 **Q Who ran that?**

3 A So for -- after Chris Best left, they had

4 Eran Ben-Ari.

5 **Q B-e-n, dash, capital A, r-i?**

6 A Yes. So Eran had worked at Rounds as well

7 with Danny, and he was elevated into a chief product

8 officer role. So that's who managed that team.

9 **Q And so what -- he worked -- he worked for**

10 **Danny?**

11 A When he was at Rounds, he worked for Danny.

12 When he was elevated, he joined the executive team and

13 worked for Ted.

14 **Q So let me go back to Danny. What -- did**

15 **he -- I think you said he ran the Israel group. But**

16 **did he have some set of products that were his**

17 **responsibility or some role that was separate from --**

18 A Again, I worked in New York as a marketing

19 person, so I wasn't part of the product and tech

20 organization. So I'm not best suited to answer those.

21 **Q There's a person named Hayeon Kim?**

22 A Hayeon.

23 **Q Hayeon Kim?**

24 A H-a-y-e-o-n.

25 **Q And how does Hayeon fit in?**

Page 26

1 A I hired Hayeon. She worked on strategy and
 2 planning on behalf of the marketing organization.
 3 **Q Where did you hire her from?**
 4 A She worked for me at Spotify.
 5 **Q And we already discussed Mr. McLeod.**
 6 A Yes.
 7 **Q What was his area of responsibility?**
 8 A PR and communications, and also included
 9 the social team.
 10 **Q And, I'm sorry. Ms. Kim and Mr. McLeod**
 11 **reported to you?**
 12 A Yes.
 13 **Q Were there other people who reported to you**
 14 **directly?**
 15 A Throughout my tenure at Kik, teams changed
 16 a bit. So at one point, when Josh Jacobs exited the
 17 company, I took on his team. So at one point, I had a
 18 couple of other additional direct reports. When we
 19 acquired Rounds, I took on an individual who was part
 20 of that marketing organization. So it was a bit of a
 21 revolving door of direct reports at some point.
 22 **Q And who did you report to?**
 23 A Ted.
 24 **Q Where did you work?**
 25 A New York.

Page 27

1 **Q Kik has an office in New York?**
 2 A Yes.
 3 **Q And you worked there -- you worked out of**
 4 **that office the entire time you worked at Kik?**
 5 A Yes.
 6 MR. SCHLEGELMILCH: Where in New York is
 7 it?
 8 THE WITNESS: Lower east side, Bowery and
 9 Broome.
 10 BY MR. MITCHELL:
 11 **Q How big was that office?**
 12 A Small. Ten people.
 13 **Q So did Kik use the office for -- sorry.**
 14 **Did the office have conference rooms or other space**
 15 **beyond just your actual personal offices?**
 16 A The office was a loft, so nobody had
 17 offices. It's a technology company. Those don't exist
 18 there. It was an open space. We all had desks. And
 19 there were a couple of conference as well.
 20 **Q So did Kik use the office for things other**
 21 **than just the people who were physically assigned to**
 22 **work there?**
 23 A Meetings.
 24 **Q Meetings. So did people come from Israel**
 25 **or Canada to have meetings in the office?**

Page 28

1 A Sometimes, yes.
 2 **Q And did people do that -- did people have**
 3 **meetings -- did people come from Canada or Israel to**
 4 **have meetings in the New York office about the Kin**
 5 **token offer?**
 6 A Yes, I would assume so.
 7 **Q Did you ever meet with people in the New**
 8 **York office about that?**
 9 A When the executive team were to come to
 10 have meetings there, yes, I would participate in those
 11 meetings. Though I can't recall if I was virtually on
 12 the phone or if they were physically there.
 13 **Q So you said you joined Kik in 2000 --**
 14 **sorry -- 2016?**
 15 A Yes.
 16 **Q All right. Sorry. Winter, spring, summer?**
 17 A I believe I officially started the last
 18 week of February or the first week of March. I think
 19 it was actually both of those things.
 20 **Q So, say, by the middle of 2016, how was Kik**
 21 **doing?**
 22 A Kik was struggling.
 23 **Q What do you mean?**
 24 A The user growth numbers were declining.
 25 **Q And, sorry, was that important?**

Page 29

1 A Yes.
 2 **Q Why?**
 3 A If you don't have -- well, a couple of
 4 reasons. One is the company existed to service users.
 5 So without them, it would have been challenging. But
 6 at the time, the company was also monetizing through
 7 advertising. And in order to have an advertising
 8 business, you need an active engaged set of users.
 9 MR. SCHLEGELMILCH: How was Kik doing from
 10 a revenue standpoint in the middle of 2016?
 11 THE WITNESS: It wasn't my ownership at
 12 that time, so I couldn't tell you if it was better or
 13 worse, or I couldn't tell you about a trend. But I
 14 would say that it's fair to say that it wasn't good
 15 enough largely because of the user growth and largely
 16 because of the role advertising could play inside of a
 17 chat app.
 18 MR. SCHLEGELMILCH: Was Kik spending more
 19 in operating expenses than it was bringing in revenue?
 20 THE WITNESS: That would be a question you
 21 would have to ask Peter.
 22 BY MR. MITCHELL:
 23 **Q So what did Kik do about this struggle?**
 24 A So in my -- to the best of my recollection,
 25 we did what every great company -- entrepreneurial

Page 30

1 company would do, is we tried tons of things. We first
 2 tried to make a better product. So that's what the
 3 brand strategy was. So, you know, the theme was the
 4 better you understood who you're serving and built
 5 features that are really appealed to their sort of
 6 unique set of characteristics or traits, that people
 7 would spend more time in the app and want to bring
 8 their friends there and do that.

9 So we worked hard on new features like
 10 group chats, which is why the company acquired Rounds,
 11 to bring in a video aspect, a group video aspect. So
 12 they did a lot of work around there. And I think that,
 13 you know, the company made good progress. But it just
 14 wasn't enough. There was too many external threats and
 15 factors that made it really difficult for company of
 16 Kik's size to grow.

17 **Q So what did Kik do?**

18 A So Kik explored lots of different
 19 opportunities. We -- you know, again, much of it, I
 20 wasn't involved in. So a lot of it was like talking to
 21 different partners, you know. You have a couple of
 22 choices in that moment, right? You can either figure
 23 out, you know, how to double your resources so that you
 24 can do more things faster, which really wasn't an
 25 option for Kik. It wasn't the right thing to do. You

Page 31

1 can fundamentally change your business model. Or you
 2 can try to solve sort of the fundamental problem with a
 3 growing business.

4 **Q And why wasn't it the right thing to do to
 5 get more resources?**

6 A Again, I think that's a question for Ted.
 7 But, you know, from my experiences, I mean, I think
 8 that if you look at the competitive set at the time,
 9 and whether within the messaging space you were talking
 10 about Kik, Snapchat, Facebook, WhatsApp, Telegram,
 11 you're starting to sort of move over into social things
 12 like Instagram. And companies such as those simply had
 13 a ton more resources. But looking at more of the
 14 fundamental problem, that challenge happens in all
 15 digital services.

16 **Q But why wasn't it at the right -- why
 17 wasn't it -- I think you said that it wasn't the right
 18 thing for Kik to get more resources at that time.**

19 A Again, that's my opinion, which is you
 20 could never -- you're talking about a company that had
 21 100 plus resources compared to companies that had
 22 thousands.

23 **Q Oh, I see. So you're saying even doubling
 24 it, that wasn't -- that would have changed --**

25 A How fast can you possibly move? Can you --

Page 32

1 can you innovate fast enough?

2 **Q Got it. And then -- and you said, I think,
 3 the second one was that Kik had conversations with
 4 partners.**

5 A Yeah. That's a conversation you would have
 6 to have with Ted and with Peter.

7 **Q Did they talk to you about that effort at
 8 the time?**

9 A We explored -- I mean, I think that --
 10 not -- no, not the specifics.

11 **Q Did Kik hire Credit Suisse?**

12 A Yes, at one point.

13 **Q To do what?**

14 A Credit Suisse helped the company explore,
 15 you know, potential investments and helped explore
 16 whether or not selling the company would be a viable
 17 option.

18 **Q What did Credit Suisse tell Kik?**

19 A I didn't -- and I wasn't -- I was part of
 20 that process only in seeing a version of the deck and
 21 in joining a single Credit Suisse conversation. This
 22 was led by Peter. So these are best -- questions best
 23 suited for Peter.

24 **Q The deck you saw was a deck for the board?**

25 A No. It was what Credit Suisse put together

Page 33

1 to -- that they would want to share with potential
 2 investors or potential partners.

3 **Q About Kik?**

4 A About Kik.

5 **Q But did you hear Credit Suisse's report at
 6 the end of the process?**

7 A I did not.

8 **Q So end of 2016 into early 2017, what did
 9 Kik do to deal with the -- sorry.**

10 **Did it find a partner to make an
 11 investment?**

12 A No. No.

13 **Q Okay. So what did Kik do?**

14 A That is when Kik started to explore what
 15 other options would be available in terms of solving
 16 sort of the bigger challenges and started to think
 17 about the blockchain.

18 **Q How did that get introduced to you? Like,
 19 how did you hear about this?**

20 A I don't remember exactly. But the best of
 21 my recollection, it would be from Ted.

22 **Q What was the idea?**

23 A You know, I think that the idea was that,
 24 you know, if you were to strip away Kik's real
 25 challenge, it's that it's -- you can't do -- you can't

Page 34

do two things extremely well at the same time with the resources that you have. And lots of small companies have that problem. So we had a growth issue, right? You wanted to build up a consumer base. But in order to keep being able to innovate, you have to fund your business. And, you know, the default and primary way that companies like Kik fund their business is through advertising.

And, you know, the people who were doing very well in advertising are people who can amass huge audiences. And then they use what they learn about their audiences. And then they sell that in some way to advertisers who spend lots and lots of money in advertising. And so I think that, you know, that problem has existed for a very long time.

The way that I recall it being introduced to me is that the difference between that period and ten years before it is he introduced the introduction of the blockchain. Sort of a new way to actually connect people, connect people to businesses, move goods and services. It was just -- it was -- I only -- I can only liken it to the early days of the internet.

Q And how did that -- how did this idea connect to sort of what Kik could do?

A So I think that the idea that the

Page 36

Q Okay. So the Kin -- when I say "Kin," what do you -- what do you describe Kin as?

A So there were -- so that was my best attempt to summarize the challenge. So the idea behind Kin was to introduce -- to introduce -- so, again, the problem is is that unless you have the biggest audiences and you can sell the time and attention to advertisers who want to engage that audience, it's challenging to grow.

The idea is to use the blockchain to change -- just to create a new solution for, again, a problem that existed forever. So the idea behind Kin was to introduce Kin, which would be a cryptocurrency. Kin would first be introduced into Kik as sort of a first partner inside of a larger ecosystem to start fueling transactions and creating habit and giving it value.

And then Kin would open up to any digital services of any kind who wanted to adopt Kin, whether as a primary or just a tertiary currency inside of that application. And then consumers who had Kin could use Kin in any of those places, whether it was in, you know, features or services or experiences that Kik created or whether it was social, gaming, messaging, whatever that might be.

Page 35

blockchain represented through this idea of being decentralized where Kik could reasonably think about connecting or sort of -- where there's problems that are shared, there are solutions that can be shared.

And the blockchain represented, like, a potential where you can -- you don't have to sort of, like, keep consumers and everything to yourself, that you actually had a chance to sort of open something up in a transparent and decentralized way. And in doing so, create value for all of the participants.

Q The other participants being other companies like Kik?

A And the consumers, yes.

Q And so -- sorry. Was the plan that you were -- the idea that came to you was that Kik would go -- just sort of go open source and go on the blockchain?

MR. CADIGAN: Objection.

BY MR. MITCHELL:

Q You can answer.

A Okay. I wouldn't -- I don't recall that being the solution.

Q So what was the solution?

A You read the Kin project, the white paper. That was -- that was our recommendation for a solution.

Page 37

Q And this -- what you're describing, that was sort of the idea that was first brought to you -- what -- I'm sorry. Are you describing the idea as it was first brought to you or as it sort of developed later?

A To be honest with you, I don't remember how it was first brought to me.

Q Okay. So what you were describing is sort of how it developed --

A Correct.

Q -- over some period of time?

A Correct.

Q Do you know what Bitcoin is?

A Yes.

Q Do you own any Bitcoin?

A No.

Q Do you know what Ether is?

A Yes.

Q Litecoin or -- have you heard of these other -- other coins?

A I have not heard of Litecoin.

Q Okay. When you talk to people, did you ever -- have you discussed this with friends? Like, is this a subject that you discuss with people, these things? Like, things like Bitcoin and Kin and Ether,

Page 38

1 things like that?

2 A Not often.

3 Q Okay. When you do, what's -- I'm trying
4 put into a couple of words of what you're saying. The
5 things that are like Bitcoin or Ether or Kin, do you
6 use a word like -- have you heard of those described as
7 digital assets?

8 A Probably, yes.

9 Q So what -- so in your mind, what's a
10 digital asset? I'm just trying to settle in terms to
11 make sure that we're both using the term the same way,
12 or we're using it the way you're using it.

13 A I would probably, because -- so taking a
14 step back --

15 Q Yeah.

16 A -- these are highly complex topics --

17 Q Right.

18 A -- of which I am not an expert. So we
19 should probably start there. And so for me and the
20 other laymen that I might be discussing this with --

21 Q Yeah.

22 A -- I would not use "digital asset," because
23 I believe that that would be confused with lots of
24 digital assets. I would probably refer to a
25 cryptocurrency.

Page 39

1 Q Okay. So what's a cryptocurrency?

2 A A digital form of currency.

3 Q Okay. And what makes it a currency?

4 A It has value or has the potential to have
5 value.

6 Q Okay. So any digital assets --

7 A You can exchange it for goods and services
8 in places that accept that.

9 Q So that's what makes it a cryptocurrency?

10 A I don't know the factual definition of
11 these things.

12 Q Okay.

13 A In my opinion, I think that what makes it a
14 cryptocurrency is that it is a digital currency.

15 Q Okay. And what makes it a currency?

16 A That you can use it in exchange for goods
17 and services and to purchase things like other
18 currencies.

19 Q Okay. And so at a point in which there's a
20 thing -- a digital asset that exists, but it can't be
21 used to exchange for goods and services, is that a
22 cryptocurrency?

23 A I don't think I understand the question.

24 Q Can you have a digital asset -- people
25 can -- sorry. Are there digital assets that you're

Page 40

1 aware of that can't be used for -- exchanged for goods
2 and services?

3 A I'm sorry. I still don't understand the
4 question.

5 Q Sure. Let me start over. You're
6 describing those as a cryptocurrency. And I think you
7 said that that's because they can be exchanged for
8 goods and services.

9 A Yes, that would be my definition of
10 currency.

11 Q Okay. When Kin tokens were created, could
12 they be used -- could they be exchanged at that moment
13 for goods and services?

14 MR. CADIGAN: Objection.

15 Please answer.

16 THE WITNESS: Okay. I don't know how --

17 MR. CADIGAN: Oh, no, just answer. This is
18 for the record.

19 THE WITNESS: The first place that you
20 could exchange goods and services for Kin when Kin was
21 released was inside of the Kik app for sets of
22 stickers.

23 BY MR. MITCHELL:

24 Q You can exchange them? You had to give up
25 your tokens -- you had to give up your Kin to get

Page 41

1 stickers?

2 A I don't -- I don't know if you receive or
3 you can add to it. I don't own Kin, so I didn't use
4 the product. But the Kin -- the value of Kin --
5 because of the value of Kin, you can get a certain set
6 of stickers.

7 MR. MITCHELL: We're going to go off the
8 record at 10:27.

9 (A brief recess was taken.)

10 MR. MITCHELL: So we are back on the record
11 at 10:33.

12 BY MR. MITCHELL:

13 Q Did you have any substantive conversations
14 with the staff about the case during the break?

15 A No.

16 Q So before the break, we were talking about
17 sort of the idea that came up. Was that your idea?
18 Was that an idea that you had developed?

19 A No.

20 Q Okay. How was that idea developed?

21 A I wouldn't know.

22 Q Who talked to you about it?

23 A Can you repeat which idea you're referring
24 to, just so I'm clear?

25 Q Sorry. The idea of -- the idea that became

Page 42

1 the Kin token.

2 A Oh. I learned about it through an
3 executive meeting, I assume.

4 Q And who -- do you remember who championed
5 it?

6 A It would have been Ted.

7 Q We're going to talk at some length about
8 the effort during -- about the effort during 2017. Did
9 you run the marketing for the Kin token sale?

10 A I was the marketing person during the Kin
11 token event.

12 Q So did you and the people who worked for
13 you run the marketing?

14 A Yes.

15 Q And so when -- so, again, the point of
16 which you had the -- that people started to discuss
17 this idea inside Kik, did Kik have the people to run
18 sale of digital asset on its own?

19 MR. CADIGAN: Again, actually, she's -- I
20 mean, you're talking about agreeing on a terminology.
21 She doesn't use the word digital asset, so she wouldn't
22 have used that. She would use cryptocurrency for this.

23 BY MR. MITCHELL:

24 Q Okay. When you originally started with
25 this idea, did you have the name Kin?

Page 44

1 blockchain. And they had experience in working with
2 companies in the creation of these types of projects
3 and in executing the token event.

4 Q What kind of event?

5 A Token event.

6 Q What's a token?

7 A That is what they would refer to a -- the
8 cryptocurrency.

9 Q What's a token event?

10 A A token event is a term used where you
11 allow others to purchase the token.

12 Q And I guess what kind of expertise --
13 sorry. Did the companies have the same kind of
14 expertise or different expertise?

15 A The two companies that we hired?

16 Q Yes.

17 A One had that expertise. And the other
18 company, Coin Tree, was hired, I believe, for their
19 technical expertise in working with the blockchain.

20 Q Okay. So let's do that. Okay. So Coin
21 Tree was hired for -- what do you mean by technical
22 expertise with the blockchain?

23 A They had experience using technologies on
24 top of the blockchain.

25 Q Okay. And then CoinFund, what was its --

Page 43

1 A No.

2 Q What did you call it?

3 A I don't recall. I don't recall.

4 Q So when you originally had the plan to sell
5 this thing or to do this project, did Kin have -- did
6 Kik have the people to sell whatever this thing is?

7 A Can you clarify what you mean by "people"?

8 Q Did it have people with the skills to
9 run -- to complete the project?

10 A Are you referring to a -- from a finance
11 perspective, a technology perspective, a --

12 Q Let me just start -- did it have the -- did
13 Kik internally have the people sufficient to run the
14 whole project?

15 A No.

16 Q What was lacking?

17 A I don't know. I don't -- I think -- I
18 don't know.

19 Q Did you ever discuss with people at Kik the
20 idea of hiring people from outside Kik to assist?

21 A Yes. Yes.

22 Q Tell me about that.

23 A We hired two outside firms, one called
24 CoinFund. And they were hired to help us explore the
25 potential, to help us validate our idea about using the

Page 45

1 what was the -- what was it providing?

2 A CoinFund worked in strategy. And they
3 helped -- they had worked in strategy. They had worked
4 in other projects that were similar to Kin. And they
5 helped validate the idea and shepherd the project.

6 Q What do you mean by validate the idea?

7 A So there's -- validate, so we had -- once
8 we had landed on the Kin project, there were lots of
9 pieces of it from how it could work best, how it would
10 make the ecosystem work, all of the bits and pieces of
11 the project.

12 Q What do you mean how it could work best?

13 A It's a complicated topic that I just don't
14 know enough to answer. They were a strategy firm that
15 helped us unpack a really complicated idea.

16 Q So what did they do to help with that
17 unpacking?

18 A They did research. They reached out to
19 other types of experts in blockchain. They helped
20 write the white paper. They helped work on the
21 economic piece of it in terms of the business model.

22 Q Let me sort of take it in order.

23 What research did they do?

24 A They did research I believe at the
25 beginning on other crypto enthusiasts, like what they

1 want, is this project interesting. Because they are
2 part of a community of crypto enthusiasts. So they
3 tapped into their own community and presented a generic
4 idea without a company on top of it to see if they
5 thought this would be a solution to the problem that we
6 presented. That's my best recollection.

7 **Q And what do you mean interest?**

8 A Is it a project that they would get excited
9 about. Did they think that it could be viable. Did
10 they think that consumers would use Kin. Did they
11 think that other parts of the ecosystem would adopt
12 Kin.

13 **Q Did they do any research on anything else?**

14 A I don't recall.

15 **Q And why was Kik interested in hearing what
16 those people who CoinFund reached out to thought?**

17 A Because they were crypto enthusiasts,
18 really close to the projects that were successful, that
19 were taking off, that were garnering adoption. And
20 those are the people that you would want to help with
21 the project.

22 **Q So you were looking to hire these people?**

23 A No. When I say help with the project, that
24 they would actually want to use Kin. They would
25 actually support the -- or they would give advice or

1 economics piece of the rewards engine. But I wouldn't
2 have more details than that. But that is one example
3 that I can recall.

4 **Q The fourth one you mentioned was help work
5 on the economics piece. What does that mean?**

6 A They -- part of their team had expertise
7 in, like, they were econometricians. So thinking about
8 it from a business model perspective.

9 **Q Why did Kik need that?**

10 A Because it's a complicated business model.

11 **Q What was Kik -- what kind of decisions was
12 Kik having to make?**

13 A How you would create a business model that
14 upheld the values of why we were doing it, which meant
15 that it had to be decentralized, open, fair, and
16 transparent. And those are not typical words used when
17 you would talk about business models.

18 **Q And was -- do you know -- have you heard of
19 something called the Kin rewards engine?**

20 A I do, yes.

21 **Q Was the Kin rewards engine an expression of
22 this economics that you're describing?**

23 A Yes.

24 MR. SCHLEGELMILCH: What is the Kin rewards
25 engine?

1 feedback on different parts of the project.

2 **Q And so did you get advice from those
3 people?**

4 A I don't know -- I don't know who those
5 people were, so I couldn't answer that directly.

6 **Q Do you know -- are you aware of at all Kik
7 getting advice from the people who CoinFund reached out
8 to for research?**

9 A I wouldn't be able to connect those dots.

10 **Q So sitting here today, you don't know of
11 any point where Kik got advice from them?**

12 A From people who -- anonymous people who
13 answered a survey, no.

14 **Q Okay. And --**

15 A It was an anonymous survey to a crypto
16 enthusiast group. So we wouldn't be able to connect
17 those dots.

18 **Q And was that the word that CoinFund used to
19 describe the people that they reached out to?**

20 A I wouldn't recall.

21 **Q And you said they reached out to experts.
22 What did they do? What did CoinFund do in terms of
23 reaching out to experts?**

24 A Oh, I mean, I think the one example I can
25 think of is somebody from MIT who helped on, like, the

1 THE WITNESS: I'm not an expert.

2 MR. SCHLEGELMILCH: What was your
3 understanding of what the Kin rewards --

4 THE WITNESS: If I understand, the Kin
5 rewards engine was meant to actually be -- it is meant
6 to be an algorithm that can release Kin based on a
7 series of variables. That would mean that anyone who's
8 participating in the Kin ecosystem had the chance to
9 earn Kin in a fair, open, and transparent way.

10 BY MR. MITCHELL:

11 **Q How did Kik connect with CoinFund?**

12 A I think we were given an introduction
13 through Fred.

14 **Q Fed Wilson?**

15 A Yes.

16 **Q And who dealt -- who at Kik dealt with
17 CoinFund?**

18 A I dealt with them a bit. A lot of people
19 did, though. A lot of people worked with them
20 directly. I worked directly with Jake Brukman, who is
21 the CEO and founder.

22 **Q Did anyone who worked for you also deal
23 with CoinFund?**

24 A Hayeon Kim.

25 **Q And so what did you -- in terms of you**

Page 50

1 **dealing with CoinFund, what were you doing?**

2 A I think there were two big pieces, I would
3 say. One was overall project management. There was a
4 timeline. And so I ended up working with them in the
5 overarching timeline to make sure that all of these
6 things happened in the time they were supposed to
7 happen, making sure that people who were accountable or
8 responsible for different pieces, whether it be, you
9 know, inside the white paper, building of a website,
10 those things were getting done. And then CoinFund
11 really authored much of the white paper. And so we
12 worked with them on that piece as well.

13 **Q What about on the research that you**
14 **described earlier? Did you work with them on that?**

15 A I don't -- it was really early. I don't
16 recall.

17 **Q What was the timeline when you first**
18 **started working -- when you say it was a timeline, what**
19 **do you mean there was a timeline?**

20 A We -- when -- there was an event that we
21 wanted to announce the release of the white paper,
22 which was on May 25th. It was at a coin event or a
23 crypto event. I can't remember the name of it. And so
24 we were trying -- like once -- once we landed a project
25 that we believed had a great chance of success, we

Page 51

1 wanted to be able to release it on that date.

2 **Q In order to do that, what did you have to**
3 **have done -- what did you need to have complete to make**
4 **that announcement?**

5 A All of the pieces of the white paper and
6 the -- like, everything that basically went into the
7 white paper, like all the pieces of the white paper.

8 **Q So just in time, so I do it the right way,**
9 **which came first, the writing of the white paper or**
10 **doing the research?**

11 A The research.

12 **Q So tell me what -- what was the research**
13 **that they did?**

14 A I honestly don't -- I haven't looked at it
15 in 18 months. I don't recall.

16 **Q What questions did Kik have that you wanted**
17 **CoinFund to answer?**

18 A To the best of my recollection, it would be
19 is this project interesting, would it -- is it viable,
20 would people want to participate in it.

21 **Q What kind of interest was the most**
22 **important thing to do?**

23 A If people were interested in the project,
24 they would participate in it through using it and
25 through potentially actually participating in the token

Page 52

1 event.

2 **Q Potentially buying Kin tokens?**

3 A Sure.

4 MR. MURTHA: Did CoinFund help Kik quantify
5 how much money it could raise in a token offering?

6 THE WITNESS: No, not really. I mean, it
7 definitely gave us a sense that we would be able to
8 fund the project. But to the best of my recollection,
9 we weren't looking for, like, that specific of a
10 question. It was more of, my best recollection is, was
11 it interesting enough for people want to participate in
12 it, was it a solution for the problem at hand, and
13 would people want to participate into funding it. I
14 don't -- I don't recall at that time having any sort of
15 conversation about specifics.

16 MR. SCHLEGELMILCH: Returning to sort of
17 the problem at hand that you discussed earlier today.
18 Was it your understanding in this time period -- let's
19 say April, May 2017 -- that Kik was going to run out of
20 money in the fall -- by the end of 2017, absent some
21 sort of infusion?

22 THE WITNESS: That's a question you'd
23 probably have to ask Peter.

24 MR. SCHLEGELMILCH: But what's your
25 understanding? I mean, you were an executive there.

Page 53

1 It was your source of income. What was your
2 understanding about your employer at that point?

3 THE WITNESS: My understanding was that we
4 were exploring other types of options in order to
5 continue to do what we were doing. So there would --
6 obviously, there's an end date for every piece of
7 finance. I don't remember the exact date of that. It
8 changed a lot, to be honest, depending on what we were
9 investing in. But there was certainly an end date.
10 That's something you'd have to talk to Peter about.

11 MR. SCHLEGELMILCH: What was your
12 understanding of what the end date was?

13 THE WITNESS: Within the calendar year
14 maybe.

15 MR. SCHLEGELMILCH: 2017?

16 THE WITNESS: I don't really recall. There
17 was lots of versions of budgets. So they -- you know,
18 that's something that happens a lot in startup
19 companies, is that you do all sorts of different
20 scenarios. Scenarios that get you through 12 months.
21 Scenarios that get you through 18 months. Scenarios
22 where you, you know, lay off, shut down offices and get
23 you through two years. So there were lots of
24 scenarios, which is why it's hard for me to answer that
25 question directly.

1 MR. SCHLEGELMILCH: Okay. But during this
2 time period, this April/May 2017, that was at least
3 some topic of discussion, these different scenarios
4 about when the end date would be; is that correct?

5 THE WITNESS: Sure. That's a fair
6 assumption.

7 BY MR. MITCHELL:

8 **Q In terms of this market work, who did the**
9 **work at CoinFund?**

10 A It's a super small team, and I would say
11 that all of them. We worked -- I personally worked
12 mostly with Jake. But there were I think at the time
13 four people, five people. So they all did work,
14 whether it was, like, at a table like this or, like, a
15 board kind of thing.

16 **Q Did they have specific roles within**
17 **CoinFund as far as you understood?**

18 A I don't really recall, to be honest.

19 **Q So as part of this research, what did**
20 **CoinFund do? I think earlier you talked about an**
21 **anonymous survey. Just take me -- take one step back.**

22 **So what did they do as part of this**
23 **research to gather information?**

24 A They did an anonymous quantitative survey.

25 **Q And did they do anything else?**

1 A I don't recall.

2 **Q And then did they report back to you?**

3 A Yes.

4 **Q What kind of --**

5 A They created, like, a presentation
6 deliverable.

7 **Q Okay. And after that deliverable, did they**
8 **then do more work for you in this subject -- in this**
9 **area?**

10 A Once we decided to move forward with the
11 Kin project, we brought on CoinFund to do the things
12 that I mentioned before.

13 **Q And did any -- did Kik hire anybody else to**
14 **do this kind of research -- like, on the subjects that**
15 **it was having CoinFund research?**

16 A Not to my recollection.

17 **Q And did Kik internally do any research on**
18 **the questions that it was asking CoinFund to research?**

19 A Not on those questions, no.

20 **Q Were there some related -- some, you know,**
21 **related questions that Kik did its own research on?**

22 A Later on in the project, we did research on
23 what types of experiences would be interesting to
24 consumers.

25 **Q When did you do that?**

1 A I don't remember. Early.

2 **Q Before or after the public announcement?**

3 A Before, to the best of my recollection.

4 **Q Did Kik use the research that CoinFund gave**
5 **it?**

6 A The first, the early?

7 **Q Sure. Well, I mean, there's --**

8 A It validated our project. So the simple
9 answer would be yes. To the best of my recollection,
10 it helped validate the project so we could move
11 forward.

12 **Q And what do you mean -- what do you mean**
13 **validate it?**

14 A Was the project that we proposed
15 interesting to a group of crypto enthusiast. Would
16 they participate. Could we fund the project. Would it
17 solve the larger problem that we wanted it to solve.

18 **Q Would they participate?**

19 A They would participate. We wanted a huge
20 community of people who wanted to earn and use Kin.

21 **Q And also, you wanted to know if people**
22 **would buy the Kin?**

23 A Again, it was an anonymous survey, so there
24 was a large spot of people that participated in lots --
25 had held lots of different currencies, people who

1 likely invested in lots of different currencies. So,
2 yeah, we needed -- we needed to know that it was viable
3 and that we could fund the project. That is the best
4 of my recollection.

5 **Q How were you going to fund the project?**

6 A Through the -- what was industry standard,
7 which was doing a token event.

8 **Q Did Kik use CoinFund's research to plan the**
9 **structure of the offering, how it would go about doing**
10 **the offering?**

11 A To the best of my recollection, not that
12 initial piece of research. It was -- no.

13 **Q Did CoinFund do subsequent research on that**
14 **subject?**

15 A I don't recall if they did additional
16 research or not.

17 **Q Did Kik use -- let me just -- CoinFund gave**
18 **you a first deliverable, right? Is that right?**

19 A Yes.

20 **Q And then later on --**

21 A We hired them.

22 **Q You hired them. And then did they give you**
23 **a second deliverable?**

24 A I think you might have to expand the
25 question.

Page 58

- 1 **Q Did CoinFund give Kik a second written**
 2 **deliverable?**
 3 A The white paper.
 4 **Q Okay. In between the white paper and**
 5 **the --**
 6 A I don't -- I don't know. I just -- I
 7 simply just don't know.
 8 **Q I'll give you some time.**
 9 A Okay.
 10 **Q So what do you mean that they -- was the**
 11 **white paper a deliverable of CoinFund?**
 12 A Yes.
 13 **Q In what way?**
 14 A They had the most experience on pulling all
 15 the pieces of these white papers together, to explain
 16 the project and provide enough detail for people to
 17 read it. So they were there to help us shepherd that
 18 project.
 19 **Q Did they write the white paper?**
 20 A Pieces of it, yes.
 21 **Q And did they put together the final**
 22 **document?**
 23 A Yes.
 24 **Q And who at CoinFund did that?**
 25 A I wasn't in the office when it happened.

Page 59

- 1 So, again, I think they were a small group and they all
 2 did it. I'm not sure who at the end was putting the
 3 final pieces together.
 4 **Q I'll pull the documents. And I'll just**
 5 **show the documents.**
 6 **But overall, did CoinFund do good work?**
 7 A I think they did, yes.
 8 **Q Did it seem reliable to you?**
 9 A To the best of my knowledge of the industry
 10 and the space, yes.
 11 **Q Did Kik rely on their work?**
 12 A Yes. As a partner, yes.
 13 **Q So what did you -- what were the things**
 14 **that you think you learned from CoinFund's work that**
 15 **were important?**
 16 A Me personally or Kik?
 17 **Q Kik.**
 18 A I couldn't answer for all of Kik.
 19 **Q Answer for you.**
 20 A For me personally, it was a completely new
 21 space for me. I gave you my resume at the beginning of
 22 our conversation. In no -- you know, this is -- it's a
 23 new space. It's a really complicated space. And so I
 24 found them to be, you know, valuable advisors on lots
 25 of things. It's highly technical. There's not a lot

Page 60

- 1 of rules written.
 2 So, you know, in the spirit of we all
 3 wanted -- we all felt connected to this project, and we
 4 always wanted to do it correctly. We wanted to do the
 5 right thing. We certainly relied on them as advisors
 6 and experts in the space.
 7 **Q Let me just give you -- I'll give you**
 8 **what's already been marked as Exhibit 39. Take a look**
 9 **at Exhibit 39. This is a multi-page document with the**
 10 **Bates number CoinFund 007691 to 7747. On its face, it**
 11 **says CoinFund at the top, and then it has a title Token**
 12 **Integration Research and Proposed Economics.**
 13 **Do you see that?**
 14 A Yes.
 15 **Q Do you recognize this document?**
 16 A Vaguely. To be honest, only because of the
 17 logo. I -- honestly, it's so not an area of my
 18 expertise. This document was not put together for me
 19 or at my request.
 20 **Q Is this the CoinFund deliverable that you**
 21 **described earlier?**
 22 A No. When I referred to the deliverable, I
 23 really was referring to, like, the output of the white
 24 paper.
 25 **Q Okay. Have you seen this document before?**

Page 61

- 1 A I assume so, yes. But I quite honestly
 2 don't -- I don't remember it.
 3 **Q Okay. Can you look at the part that --**
 4 **there's a page 19. Can you see page 19?**
 5 A Yes.
 6 **Q Can you look at that page and the next**
 7 **couple of pages?**
 8 A Sure.
 9 **Q My question is going to be: Is this an**
 10 **anonymous survey that you were describing earlier?**
 11 A Yeah, it must be. I don't remember ever
 12 seeing this in this format.
 13 **Q What format do you remember?**
 14 A I told you I remember a presentation
 15 deliverable.
 16 **Q Like slides?**
 17 A Uh-huh.
 18 **Q Like a deck?**
 19 A Yeah. Yeah.
 20 **Q Okay.**
 21 MR. MITCHELL: I'm going to have the
 22 reporter mark as exhibit -- 78?
 23 THE REPORTER: Yes.
 24 (SEC Exhibit No. 78 was marked for
 25 identification.)

Page 62

1 BY MR. MITCHELL:

2 **Q I'm going to hand you what's been marked as**

3 **Exhibit 78. I gave a copy to your lawyer. Like most**

4 **of these documents --**

5 A Did I write this?

6 **Q Like most of these documents, what I'm**

7 **going to do is I'm going to ask, do you recognize the**

8 **document? Take as long as you want to look at it.**

9 A I mean, I certainly recognize that it came

10 from my e-mail address.

11 **Q Okay. So this is a one-page document with**

12 **the Bates number KIK_00021324. On its face, it appears**

13 **to be an e-mail from Erin Clift, dated March 21st.**

14 A Yes.

15 **Q Do you -- what is this?**

16 A I don't know. I mean, I honestly -- had

17 you shown me this first, I would have assumed it was a

18 presentation.

19 **Q Okay. So -- well, let me just take it step**

20 **by step. It seems to be an e-mail from you to**

21 **leadership team?**

22 A Yes.

23 **Q What is that e-mail address?**

24 A That is the people that we talked about at

25 the beginning, who were Ted at the time, I guess. So

Page 63

1 Ted, Eran, Danny, Peter, Alim.

2 **Q You?**

3 A Myself. It was from me, but yes. Yes.

4 **Q But if someone sent an e-mail through**

5 **exec@kik.com, it came to you?**

6 A Yes. Yes.

7 **Q So the -- it says at the top, "Hi all. As**

8 **promised, we have the final CF deliverable - here it**

9 **is."**

10 **Do you see where I read that?**

11 A I do.

12 **Q So do you know what you sent to them?**

13 A If I would have assumed, I sent them the

14 presentation that I referred to.

15 **Q Okay. And then do you see that there's a**

16 **section that says, "Main question: Is the ICO viable**

17 **for Kik, and why?"**

18 A Yes.

19 **Q Is that the main question that you had**

20 **asked CoinFund?**

21 A We wanted to know if the project was

22 viable, yes.

23 **Q And then what are the bullets under that?**

24 A What's the high-level offering -- (Reading

25 from document.)

Page 64

1 **Q I'm sorry. Were they --**

2 A I also clearly copied and pasted this from

3 somewhere else.

4 **Q Sure.**

5 A Based on the e-mail. So...

6 MR. MURTHA: What do you mean?

7 THE WITNESS: The font is different. So --

8 and I can't remember. But when the font is different,

9 it means that I wrote the beginning pieces, and that I

10 cut and pasted this from somewhere else.

11 MR. MURTHA: What's the date of the e-mail

12 on Exhibit 78?

13 THE WITNESS: March 21st.

14 MR. MURTHA: What's the date written on the

15 front of Exhibit 39?

16 THE WITNESS: March 21st.

17 BY MR. MITCHELL:

18 **Q Were the -- those bullets, were those the**

19 **questions that the executives were going to discuss at**

20 **a meeting?**

21 A I would assume so from this note, yes.

22 **Q Okay. Any reason to think it's not true?**

23 A No.

24 **Q Were those questions that the executives**

25 **were wondering about at this time in late March 2017?**

Page 65

1 A Yes. We had a project we were excited

2 about, and we wanted to know if it was viable.

3 MR. SCHLEGELMILCH: What does high-level

4 offering mean? Do you have an understanding today what

5 you meant by that?

6 THE WITNESS: I don't. I don't. I don't.

7 Maybe the framework for which we had raised money for

8 the project.

9 BY MR. MITCHELL:

10 **Q Sort of quick aside. Similar to that**

11 **exec@kik, there were a couple of other e-mail groups.**

12 A Okay.

13 **Q One is called cryptogtm@kik.**

14 A Go to market.

15 **Q What was that e-mail?**

16 A It was everybody working on the project. I

17 couldn't possibly name them.

18 **Q That's okay.**

19 A Okay.

20 **Q It was more than a dozen people?**

21 A Yes. Definitely.

22 **Q And then what was crypto -- there's another**

23 **one that I had seen. It's crypto-working-team@kik.**

24 A That was the core team. Mostly the people

25 who were leading pieces of the white paper.

Page 66

1 **Q And would the core team have included the**
2 **execs as well?**

3 A I would assume so, yes.

4 **Q So did the executives get together and**
5 **discuss whether the ICO was viable for Kik and why?**

6 A Yes. At some point, yes. I wouldn't know
7 if the dates lined up, but yes.

8 **Q Okay. Well, what -- how did -- how did**
9 **CoinFund's work fit into that decision or that**
10 **discussion?**

11 A Was the project viable to a community that
12 needed to be viable to, and could we fund the project.

13 **Q What do you mean could we fund the project?**

14 A We needed to raise funds in order to get
15 the Kin project off the ground.

16 **Q And how were you going to raise the funds?**

17 A Through a token event.

18 **Q And what do you remember about those**
19 **discussions among the execs?**

20 A We talked about the viability of the
21 project. We talked about the timing of it. We talked
22 about some of -- a lot of the unanswered questions that
23 we would have to uncover throughout the process, sort
24 of a new territory. We talked about the results of
25 this, but in the presentation version, not this

Page 67

1 version, including all of the pieces.

2 **Q Just tell me more about the presentation**
3 **version so that I -- I'm not sure if I've seen it.**

4 A I would assume since the typical format was
5 in these leadership meetings, if you're making the
6 decision, there would be a presentation that you would
7 have to walk through so everybody was focused in the
8 right areas. So there is a presentation version of the
9 research role, like this, because we would not expect
10 people to read this.

11 **Q And who made the presentation version**
12 **you're thinking?**

13 A To the best of my recollection, it would
14 have been CoinFund. But truthfully, it could have been
15 someone internally who read this and put this -- I'm
16 not sure.

17 MR. LEASURE: I'm not going to ask you to
18 read all of Exhibit 39.

19 THE WITNESS: I really appreciate that.

20 MR. LEASURE: Can I point you just to
21 page 19 of it. This -- we've looked at this before.
22 This is -- it begins with CoinFund Crypto Investor
23 Survey.

24 THE WITNESS: Yeah.

25 MR. LEASURE: About that survey, did Kik

Page 68

1 ask for a survey of crypto investors?

2 THE WITNESS: I don't recall what the
3 specific brief was to CoinFund. But generally
4 speaking, you needed to know is it interesting. And as
5 you see back here, they also have the panel of people
6 talking all through it.

7 MR. LEASURE: Right.

8 THE WITNESS: Is it interesting. Is it
9 viable. And can we fund it, so those were sort of the
10 general areas.

11 MR. LEASURE: So there's nothing surprising
12 to you in that at some point, a survey was done, in
13 your view, it was necessary.

14 THE WITNESS: I think doing research before
15 entering any new business is necessary, so yes.

16 MR. LEASURE: No problem. Was this the
17 only survey of crypto investors that you're aware was
18 done?

19 THE WITNESS: To the best of my
20 recollection.

21 MR. LEASURE: Did Kik ask for any more
22 surveys to be done?

23 THE WITNESS: I don't recall.

24 MR. LEASURE: Sure. That's fine. Did --
25 you didn't do the survey, correct, personally?

Page 69

1 THE WITNESS: No.

2 MR. LEASURE: Did you have any concerns
3 about the results of the survey?

4 THE WITNESS: I don't recall.

5 MR. LEASURE: Either way?

6 THE WITNESS: I don't recall either way.

7 MR. LEASURE: And I should be more clear.
8 Did you have any concerns that this survey was not
9 conducted well or was inaccurate in any way?

10 THE WITNESS: I don't recall specifically.
11 I tend to question everything. So any piece of data
12 that's ever put in front of me, I will tend to
13 question. So there's a good chance. But do I recall
14 questioning any of this stuff? No. It's not an area
15 of my expertise.

16 MR. LEASURE: Did anyone else at Kik --
17 again, I'm just asking if you remember.

18 THE WITNESS: I don't know.

19 MR. LEASURE: Did anyone else at Kik
20 question the result of --

21 THE WITNESS: I just don't remember, no.

22 MR. LEASURE: Let me point you to Page 25
23 of the survey. I'll start reading just so you see
24 where I am, I promise. Again, I'm not going to read
25 this entire thing.

Page 70

1 THE WITNESS: It's okay. It's fine.

2 MR. LEASURE: There's a section called
3 "User Versus Investor Interest."

4 THE WITNESS: Yep.

5 MR. LEASURE: "In this survey, we
6 interviewed crypto investors and expected that most
7 respondents would be interested in the investment side
8 of the token proposition." It continues from there. I
9 won't read all of this.

10 Do you know why this was asked?

11 THE WITNESS: I don't recall. To the best
12 of my recollection, you know, I think that it's gauging
13 both can you fund the project, but will people use the
14 actual -- would they use Kin. And both of those things
15 were quite important.

16 MR. LEASURE: Sure. Okay. Do you remember
17 discussing -- again, this is a large document. I get
18 that. Do you remember discussing this particular data
19 piece from the survey?

20 THE WITNESS: I simply don't recall.

21 MR. LEASURE: Do you remember anyone from
22 Kik pushing back or questioning the results of this
23 particular piece of data?

24 THE WITNESS: Again, I just -- I don't
25 recall specifically.

Page 72

1 page 26, there was a crypto fund -- I'm sorry. I
2 misread that. Let me say it again. CoinFund crypto
3 investor panel, do you see that?

4 THE WITNESS: Yes.

5 MR. LEASURE: Was that a separate work
6 stream or task that CoinFund did?

7 THE WITNESS: I don't know if it was a
8 separate task or connected to the first set of
9 research.

10 MR. LEASURE: Did you participate in it?

11 THE WITNESS: I mean, yes. I don't know.
12 In what way?

13 MR. LEASURE: It looks like, I'm just
14 reading, in March, CoinFund interviewed ten experienced
15 crypto investors.

16 THE WITNESS: Oh, no, definitely not.

17 MR. LEASURE: You didn't?

18 THE WITNESS: I was not part of those
19 interviews.

20 MR. LEASURE: Okay. Do you know why they
21 did it?

22 THE WITNESS: I think that you could
23 probably just look at the panel highlights to get that.
24 I don't know exactly. I mean, again, I think that the
25 whole idea of any of these conversations was it

Page 71

1 MR. LEASURE: Okay. I know it's
2 frustrating. I'm just going to keep asking a few more
3 questions.

4 THE WITNESS: You can keep asking. It's
5 fine. I just don't recall. Yeah.

6 MR. LEASURE: Did Kik commission any future
7 survey or analysis on this particular question, that is
8 user versus investor interest?

9 THE WITNESS: Through CoinFund, no, that
10 I recall.

11 MR. LEASURE: How about anywhere else?

12 THE WITNESS: It was what I referenced
13 before. We worked with our brand strategy partner to
14 do some research, yes.

15 MR. LEASURE: So we might turn to that
16 separate.

17 THE WITNESS: Okay.

18 MR. LEASURE: Okay. Was that -- and so
19 there was Kik's own research done?

20 THE WITNESS: Yes.

21 MR. LEASURE: Okay. Anything else on this
22 topic?

23 THE WITNESS: I don't -- I just simply
24 don't recall on this.

25 MR. LEASURE: There was also -- pointing to

Page 73

1 viable, will it work, will people use it. So somewhere
2 in that. But I wouldn't know specifically.

3 MR. LEASURE: That's fine.

4 THE WITNESS: Yeah. It was to validate the
5 project.

6 MR. MITCHELL: I'm going to ask the
7 reporter to mark as 79...

8 (SEC Exhibit No. 79 was marked for
9 identification.)

10 MR. MITCHELL: So the -- so just for the
11 record, I put a number 77 on the subpoena.

12 MR. LEASURE: Is that a copy of the
13 subpoena pursuant to which you're appearing here today?

14 THE WITNESS: Yes. Good job.

15 BY MR. MITCHELL:

16 **Q So I'm going to have her -- 79, give a copy
17 to your lawyers. 79 then is a multi-page document,
18 KIK_00044727 to 733.**

19 A Yes.

20 **Q And on the top, it says -- well, on the
21 top, it -- I'll just say for the record, it looks like
22 notes. What -- my first question is: Do you recognize
23 this document?**

24 A I do -- I mean -- yes, I definitely
25 recognize the document.

Page 74

1 **Q What is it?**
 2 A It is the survey document.
 3 **Q So this is the presentation you were**
 4 **describing earlier?**
 5 A No. That would be in PowerPoint format.
 6 **Q Sorry. So what is this?**
 7 A I don't know what the format is. It's -- I
 8 don't know.
 9 **Q Okay.**
 10 A I'm not sure what you're asking.
 11 **Q Are these notes in the meetings?**
 12 A At Kik, like lots of technology companies,
 13 we often don't meet and take notes. It's often done
 14 through Docs and online. So we look at things and we
 15 comment directly there, if we have questions or
 16 thoughts, unfiltered.
 17 **Q Okay. So let me flip you to the second**
 18 **page. And you can see there are comments on the side**
 19 **of it.**
 20 A Yes. Okay. Yes.
 21 **Q Does this look to you like a Google doc?**
 22 A Yes.
 23 **Q That was shared by multiple people?**
 24 A Yes.
 25 **Q Do you see there's a part -- and I'll take**

Page 76

1 A That's what I would assume.
 2 **Q Okay. What is the rest of this document?**
 3 A Notes.
 4 **Q Can you tell from the comments who is**
 5 **making the comments?**
 6 A Not if they don't have their initials.
 7 **Q And generally, you all had a practice of**
 8 **using Google Docs to communicate?**
 9 A There was lots of using Google Docs. And
 10 the challenge being that any Doc could have had a
 11 longevity of three days, three months, three years.
 12 **Q I'll have you look on the first page.**
 13 A Okay.
 14 **Q Looking at the whole thing, do you think**
 15 **this is a document where people are responding to**
 16 **CoinFund's survey?**
 17 A Yeah, that would be my assumption.
 18 **Q Is that because the -- it appears to have**
 19 **the survey results -- parts of the survey results at**
 20 **the top of this page?**
 21 A Yes. That's why I would assume that it is
 22 the survey. And because it says crypto survey
 23 feedback.
 24 **Q And are you aware of any other crypto**
 25 **survey that Kik did in 2017?**

Page 75

1 **it -- there's a place where it says HK/EC?**
 2 A Yes.
 3 **Q What's that?**
 4 A Hayeon Kim/Erin Clift.
 5 **Q And so what does that -- does that mean**
 6 **that this -- that the text after that is something that**
 7 **one or the two of you wrote?**
 8 A Correct.
 9 **Q And then -- so what does PH mean?**
 10 A Peter Heinke.
 11 **Q And TL?**
 12 A Ted Livingston.
 13 **Q I take you to the end. There's like a --**
 14 **and there's a Bates -- the page number at the bottom,**
 15 **we call it Bates number. It ends in 731.**
 16 **Do you see that?**
 17 A Okay.
 18 **Q Actually, let me go to 730. Do you see on**
 19 **the bottom it says, "Additional areas need to have**
 20 **initial POV with next steps to fully address, clarify**
 21 **as part of preliminary validation"?**
 22 A Yes.
 23 **Q What's this? What's the part of this**
 24 **afterward? Like, the rest of this document, does it**
 25 **appear to you that this is the additional areas?**

Page 77

1 A Not to my recollection.
 2 **Q So three quarters of the way down, do you**
 3 **see there's a line that says "HK/EC"?**
 4 A Uh-huh.
 5 **Q From the survey, we feel pretty positive**
 6 **about interest expressed from crypto investors.**
 7 **Were you -- having seen the CoinFund work,**
 8 **were you pretty positive about interest expressed from**
 9 **crypto investors?**
 10 A Yes.
 11 **Q Why?**
 12 A Through the survey data, we both -- yeah.
 13 We both looked at would they fund the project and would
 14 people want to participate on the platform. And we got
 15 both of those answers. In the survey, they're all
 16 referred to as crypto investors. But if you look
 17 closely at the results, those investors aren't always
 18 investors. So that was a term that CoinFund used.
 19 And if you look at the survey, you have the
 20 percent of people who would be interested in
 21 participating in funding the project. And you had
 22 another group of people who would be interested in
 23 actually participating in on the platform. So this --
 24 my recollection would be is that we feel good about the
 25 interest from this group of people as it relates to

Page 78

1 funding the project.

2 **Q And what you were just describing, were**
3 **those the numbers that Jeff and you were just looking**
4 **at a moment ago?**

5 A Yeah. Everything that was in here.

6 **Q All right. On Exhibit 39?**

7 A Yeah. Sorry. Yes, exactly, 39.

8 **Q So can I have you just go to page 25 of**
9 **Exhibit 39.**

10 A Sure.

11 **Q So that's the -- the results here were that**
12 **of the people surveyed, 48.4 would lean towards being**
13 **investors only; is that right?**

14 A Yes.

15 **Q And that 21.5 of those would be**
16 **speculators?**

17 A That is what it says.

18 **Q And what was your understanding of what**
19 **speculators meant?**

20 A I honestly wouldn't know at this point.

21 **Q Do you think you knew then?**

22 A No.

23 **Q Okay. And it said that 32.3 percent would**
24 **lean towards being users of the platform?**

25 A Yes.

Page 79

1 **Q And did that mean that they would purchase**
2 **Kin tokens and also be users of the platform?**

3 A My understanding is these are the platforms
4 that they would actually transact Kin on the platform.

5 **Q That was their intent? That's your**
6 **understanding?**

7 A That's my understanding of it, yeah.

8 **Q Okay.**

9 MR. LEASURE: Can I just ask one question
10 on Exhibit 79.

11 THE WITNESS: Sure.

12 MR. LEASURE: The top of the document on
13 page 1 has a chart, do you see that, of the size of --
14 the typical participation size by dollar amounts, and
15 then participate in a hypothetical Kik by dollar
16 amounts? Do you see that?

17 THE WITNESS: Yes.

18 MR. LEASURE: And right underneath of it,
19 it looks like there's some discussion. Again, I don't
20 know personally sitting here who wrote this. But it
21 says, "Positive that a hypothetical Kik offering would
22 bring out more investors concerning that the increase
23 would occur in the smaller participation size while the
24 larger size segments are decreasing."

25 Do you see that?

Page 80

1 THE WITNESS: I see it, yes.

2 MR. LEASURE: Okay. You made a face.

3 THE WITNESS: I don't understand what the
4 sentence means.

5 MR. LEASURE: Okay. Let me -- crossing my
6 fingers --

7 THE WITNESS: Okay.

8 MR. LEASURE: Ask a question that hopefully
9 maybe you do understand my meaning.

10 THE WITNESS: Okay. Okay.

11 MR. LEASURE: Was there discussion or
12 analysis within Kik at this time -- you're looking at
13 this potential project -- about how much money people
14 might put in before they participated?

15 THE WITNESS: I think that early on,
16 this -- like early on in this moment, it was how do you
17 best fund the project. And as a new industry for most
18 of us, we didn't understand what that meant. So to
19 understand if people were interested, we needed to
20 figure out what did that mean and would it be enough to
21 fund a project. The project is complicated. It
22 requires resources. It requires tons of technology and
23 security investments in terms of, like, technical
24 securities. So either can go from one place to another
25 without being stolen, that type of stuff. And so that

Page 81

1 is my understanding of that.

2 MR. LEASURE: And so I want to drill down a
3 bit, because this seems to be analyzing not overall how
4 much could Kik raise. But for participants, would they
5 be putting in \$1, \$100, up to \$50,000?

6 THE WITNESS: Correct. On a hypothetical.
7 This was super early. Yes.

8 MR. LEASURE: Of course it is. Was that
9 something that Kik thought about over time, how much
10 would an individual participant be willing to put into
11 the project?

12 THE WITNESS: So I would assume so. But I
13 think that -- I think the first thing was what did you
14 need to fund the project.

15 MR. LEASURE: Sure.

16 THE WITNESS: And then at one point, you
17 know, going back to the premise that we wanted to build
18 an ecosystem and a big community of people who wanted
19 to actually, like, earn and spend Kin in different
20 ways, that we wanted as many people as possible to
21 participate in the project.

22 And so at that point, we would probably
23 look at that. So, for example, you wouldn't want one
24 person -- you wouldn't want a community of one.

25 MR. LEASURE: No.

Page 82

1 THE WITNESS: We want a community of
 2 thousands. And we were only offering so much Kin.
 3 So...

4 MR. LEASURE: More people, the better, I
 5 take it?

6 THE WITNESS: Correct.

7 MR. LEASURE: And is it better to have -- I
 8 can see a scenario where you have a lot of little
 9 purchasers, people who buy 10 bucks, 100 bucks, or a
 10 scenario where you have fewer, but bigger purchasers,
 11 right --

12 THE WITNESS: Correct.

13 MR. LEASURE: -- people who buy \$10,000.
 14 Did Kik have a preference?

15 THE WITNESS: We really -- so, again, the
 16 premise and the lean at the time towards the blockchain
 17 generally was going back to those tenets of being
 18 decentralized, open, transparent, and fair. And so
 19 the -- in those three, four tenets, we wanted as many
 20 people who were interested in participating in the
 21 project as we could. We wanted them to be consumers of
 22 Kin. We wanted them to be people who wanted to go buy
 23 new additional services or whatnot. So that piece
 24 became increasingly important over time.

25 MR. LEASURE: Is it -- in your view -- I'm

Page 83

1 only asking for your opinion or your thoughts. In your
 2 view, is it more likely that people making smaller
 3 purchases -- \$100, \$1,000 -- are more likely to be
 4 active users in the ecosystem than someone making a
 5 \$100,000 purchase?

6 THE WITNESS: I do not participate in this
 7 world, so I wouldn't be able -- so I wouldn't be able
 8 to hypothetically answer that question.

9 MR. LEASURE: You don't know? Let me ask
 10 it in maybe hopefully a better way. Did the size of
 11 someone's, you know, interest -- again, \$10 versus
 12 \$10,000, small versus large -- did that tell you
 13 anything about whether they intended to use Kin in the
 14 ecosystem versus whether they were doing this as an
 15 investment?

16 THE WITNESS: I honestly -- I wouldn't
 17 know.

18 MR. LEASURE: Who -- go ahead.

19 THE WITNESS: I wouldn't know. I'm not
 20 sure I truly understand the nature of the question, to
 21 be honest.

22 MR. LEASURE: I'm trying to see if you can
 23 discern from the size of -- you know, the size of the
 24 participants, what their motivations are in
 25 participating?

Page 84

1 THE WITNESS: Oh. So it's hard to answer
 2 if I'm being perfectly honest because the industry is
 3 so different. I mean, like, the birth of the entire
 4 sort of blockchain and cryptocurrencies, starting with
 5 Bitcoin, all started, like, a hot minute ago. And so
 6 it's hard to, like, hypothetically answer any of those
 7 questions. And it tends to be a tech savvy younger
 8 group of people who are crypto enthusiasts.

9 So the amount they're able to actually
 10 participate with may not always be a sense of their
 11 willingness to participate. But they believe in the
 12 project and they want to participate to whatever extent
 13 they can. So it would be impossible for me to answer
 14 that question fairly, if that makes sense.

15 MR. LEASURE: Sure.

16 MR. SCHLEGELMILCH: Just one additional
 17 question on 79. Underneath the table or the boxes,
 18 however you want to say it, there is an entry that says
 19 "HK/EC." I think, based on your earlier testimony, you
 20 were the EC?

21 THE WITNESS: Correct.

22 MR. SCHLEGELMILCH: So this is a comment
 23 that you at least were aware of or contributed to in
 24 some way?

25 THE WITNESS: Which comment?

Page 85

1 MR. SCHLEGELMILCH: The first comment,
 2 "HK/EC," that indicates that you were involved in it in
 3 some way?

4 THE WITNESS: Correct.

5 MR. SCHLEGELMILCH: Okay. My question is,
 6 is just, the first one, it reads, "As we move through
 7 the ICO process, will we be able to sufficiently
 8 identify and reach larger and more sophisticated
 9 segments of crowd funding investors?"

10 Do you see that?

11 THE WITNESS: Yes.

12 MR. SCHLEGELMILCH: My understanding --
 13 what did you mean by that?

14 THE WITNESS: It is unlikely that I wrote
 15 that. But I can give you a sense of what it was
 16 getting at, which is the survey itself, right? So our
 17 job was to think about funding the project. Doing a
 18 survey is, like, part of our job. Doing a survey like
 19 this is a small sample size, so trying to better
 20 understand -- and typically, people who actually might
 21 have interest in investing different sums probably
 22 wouldn't be responding to anonymous surveys. So it was
 23 probably gauging that piece.

24 MR. SCHLEGELMILCH: Okay.

25 BY MR. MITCHELL:

Page 86

1 Q Did you -- did you have an interest in
2 identifying and reaching larger and more sophisticated
3 segments of crowd fund investors?

4 A I don't recall in this moment. I think the
5 question, you know, was more is this viable, can it get
6 funded. I think it was more of that. I don't think at
7 that moment in time we were thinking like that.

8 Q Can I have you flip to the page that ends
9 in 730.

10 A Sure.

11 Q There is a part that says, "TL: Market
12 value growth of pre-allocation is most interesting for
13 Kik."

14 A Ted Livingston.

15 Q Right. Is that a concept that you heard
16 Ted Livingston talk about outside of this document?

17 A I don't recall, no. You'd have to ask him.

18 Q Below that, it says, "PH: For me, the
19 question is also the type of investor."

20 Do you remember talking to Peter Heinke
21 about his questions about what types of investors were
22 possible?

23 A I don't remember anything specific except
24 we wanted people who wanted to participate in the
25 project, who would actually be part of the Kin economy.

Page 87

1 Q So that goes on, "Te, a high number of
2 small investors that invest and sell on a return of,
3 say, 20 percent for, say, 20 mil is not a great
4 scenario and something I would not likely consider. A
5 mix where we say 75 percent of the 20 mil were
6 investors that understood the full opportunity it would
7 hold, I would even add a lesser amount initially."

8 Do you see that?

9 A I do see that.

10 Q Do you remember talking about that kind of
11 subject with him?

12 A I don't. I mean, again, I'm not -- I'm not
13 an expert in finance. So this wasn't an area that I
14 spent a tremendous amount of my personal time.

15 Q Do you have any personal investments
16 yourself?

17 A In Kin?

18 Q No. Just in general.

19 A Yes.

20 Q Do you know what it means to hold an
21 investment?

22 A I do.

23 Q So this comment seems to be that whoever
24 wrote this comment preferred investors who understood
25 the full opportunity and would hold.

Page 88

1 A Right.

2 Q Is that how you read that?

3 A I do.

4 Q That seems to -- how does that -- was that
5 something that people discussed at Kik, the value of
6 people who would hold?

7 A So my understanding of this statement is
8 that we wanted people who would actually not think of
9 this as something that they would actually, like, turn
10 around for a quick anything, that we wanted people to
11 hold it and participate as the Kin ecosystem rolled
12 out. That is my interpretation of that. We wanted
13 people to participate in the project.

14 Q All right.

15 A That would be my understanding.

16 Q So we go back to the -- so we could go to
17 the page that ends with 728. Do you see the heading
18 that says "Crypto Model Feedback"?

19 A Yes.

20 Q Okay. And it says, "HK/EC: Number one
21 consideration needs to be focused on finding the most
22 efficient and effective way to getting viable crypto
23 coin/ecosystem off the ground."

24 Do you see that?

25 A Yes.

Page 89

1 Q Was that a number one consideration at that
2 time?

3 A In the model? I mean, based on that, yes.

4 Q Okay. And then it goes on, "We think this
5 means prioritizing," then it has three bullets.

6 Do you see that?

7 A I do.

8 Q So I'll take them from the bottom one.
9 There's a bullet that says, "Things that can increase
10 the value of the coin."

11 Was that one of the things that you thought
12 Kik needed to prioritize?

13 A So you would have to start at the top,
14 because there's an order to it.

15 Q Oh, okay. So let me give you some more
16 general question. Can you explain to me what the
17 things were that you thought needed to be prioritized?

18 A Yes. So the things our app users would
19 actually do meant that we had to model behaviors where
20 we saw success on the Kik messenger platform. The
21 second thing was being able to be able to create
22 features like that based on the current resources we
23 had. So when you have those two things, the things
24 that can increase the value of the coin was can we get
25 people to actually desire these things. And then

Page 90

1 eventually want to tell people about them, the
2 transaction, things like that.

3 **Q Okay. And the next paragraph starts --**
4 **again, it's "HK/EC: Regarding further discussion**
5 **around consortium model."**

6 **What does that mean?**

7 A I don't think I wrote this particular line,
8 but my guess is it's just talking about the ecosystem,
9 and that idea that you would invite other digital
10 services to participate.

11 **Q All right. Well, then the sentence after**
12 **this, "We need to prioritize completing preliminary**
13 **validation."**

14 **Was that something you thought they needed**
15 **to prioritize?**

16 A I don't know the time frame of this. So
17 it's hard to answer that question.

18 **Q Okay. So was there a point where**
19 **completing the preliminary validation was a priority?**

20 A Sure. Yes.

21 **Q When? What part in the timeline?**

22 A So at technology companies, they do this in
23 cycles. So there's always a, like, research,
24 preliminary validation, testing minimal viable product.
25 And then the cycle goes on and on. So I think that it

Page 91

1 depends on what part of the process, I guess.

2 **Q Sure. So tell me about that process. You**
3 **just said that there's a cycle. Tell me about that**
4 **cycle.**

5 A You understand what you're -- like validate
6 a hypothesis, you try to validate that. Then you
7 create something that's a minimal viable product that
8 is useful. I mean, I bet you all use minimal viable
9 products all the time. You probably just don't know
10 it. And then it gets better, and then you're delighted
11 that it gets better. And then, in this case, we would
12 have that MVP and we would use it. And then once we
13 viewed that it was working, we would invite others to
14 take it, to use it as well. That's my understanding of
15 the sentence.

16 **Q Have you ever heard of the term "IPL"?**

17 A Yes.

18 **Q What is an IPL?**

19 A In this context, I think the initial
20 product launch.

21 **Q And how does that relate to an MVP, minimum**
22 **viable product?**

23 A I don't sit in products, so I couldn't
24 explain it to you. But for me, they're
25 interchangeable.

Page 92

1 MR. MITCHELL: We're going to go off the
2 record at 11:35.

3 (A brief recess was taken.)

4 MR. MITCHELL: Go back on the record at
5 11:44.

6 BY MR. MITCHELL:

7 **Q Did you have any substantive conversations**
8 **about the case during the break with the staff?**

9 A No.

10 **Q Okay. I'm going to come back in time a**
11 **little bit. I'm going to give you what was previously**
12 **marked as Exhibit 14A. 14A is a multi-page document**
13 **that starts with KIK_00026450 through 26493. Can you**
14 **just flip through it. Do you recognize this document?**

15 A Yes.

16 **Q What is it?**

17 A It's a board deck.

18 **Q It's a --**

19 A Board of directors.

20 **Q Slides that were used at board meetings?**

21 A Presented, yes.

22 **Q Okay. On the second page, it says, "Board**
23 **meeting, February 16, 2017."**

24 **Was this the board deck used that day?**

25 A Yes.

Page 93

1 **Q And did you have a role at that meeting?**

2 A Yes.

3 **Q What was your role?**

4 A I presented the potential for the project.

5 **Q And did you --**

6 A Per the agenda.

7 **Q Yeah. For the record, there is a --**

8 A Great. I don't recall, but this is -- I'm
9 assuming that this was correct.

10 **Q Yeah. I think your name is on the agenda.**

11 A Correct.

12 **Q Why did you present this?**

13 A I don't recall specifically. I would guess
14 it's because I had been -- part of working with Jake.
15 And also because when it came to presenting to the
16 board, oftentimes, Ted would ask me to do it.

17 **Q And how did you present to them?**

18 A In the -- so in that meeting, like most of
19 them, it was often virtual. So we all gathered on,
20 like, Google Hangouts or a product like that.

21 **Q And you shared the deck?**

22 A We would walk them through the deck, yes.

23 **Q Okay. So you would use the deck and talk?**

24 A Sure.

25 **Q All right. And so what did you -- what**

Page 94

1 were you talking about?

2 A I'd have to go back through. So Ted gave a

3 process update. And we talked about our recommendation

4 to move forward with the project.

5 Q That's the part -- if you look, there's a

6 Bates number. It's pretty small. There's a picture

7 that says Kik in the blockchain. Do you see that page?

8 A Yes.

9 Q Is that the beginning of the section that

10 you --

11 A Yes.

12 Q -- were involved with?

13 A Yes.

14 Q So I'm going to flip you through the page

15 that has Bates number that ends in 460. It's actually

16 page --

17 A Okay.

18 Q I'm sorry. Do you -- can you see 460? And

19 I think it has a --

20 A I think it's -- yes.

21 MR. MITCHELL: Okay. Do you guys have a

22 single-sided or a double-sided?

23 MR. CADIGAN: Single-sided.

24 MR. MITCHELL: Okay. So she has a document

25 that's different than ours.

Page 95

1 BY MR. MITCHELL:

2 Q Can you show --

3 A The numbers are still there, though.

4 Q The pages are not. The copies were made by

5 me single-sided of a double-sided document. So the one

6 that the lawyers have. So if you can just show that --

7 A Oh, got it. Sure.

8 Q Yeah. Exactly. So if you can just show

9 that to your lawyer. If you guys could share that one.

10 So I'm going to read. I think that 10

11 starts with the words, "the immediate opportunity."

12 And then there's a section afterwards.

13 What was the opportunity that you were

14 telling the board about?

15 A We were talking -- at the time, it wasn't

16 named that, but we were talking about the Kin project.

17 Q Okay.

18 A And the opportunity to move forward with

19 it.

20 Q And did you tell the board -- sorry.

21 Did you use CoinFund's work to help create

22 this presentation?

23 A I would assume so, yes.

24 Q Why would you assume so?

25 A Because that's what we used to validate the

Page 96

1 project. But I would have to turn the pages.

2 Q If you look at some of the pages, on some

3 of the pages, do you see actual, like, pieces of their

4 research?

5 A Because this is probably what I was

6 referring to in terms of the presentation, so yeah.

7 Q I'm at a slight disadvantage because I

8 created the bad documents.

9 A Right.

10 Q I'm going to have you look here.

11 A Oh, yeah. Yeah.

12 Q It's the page that ends in --

13 A So, yes, this used CoinFund's information.

14 Q Great. And you're looking at the page that

15 ends with 483?

16 A Yeah.

17 Q 463?

18 A Yeah.

19 Q Yes?

20 A Yes.

21 Q Okay. So you used CoinFund's information

22 to create the presentation. So let me take you back

23 then to the page that's page 10 of the presentation.

24 A 461?

25 Q Yeah. And did you tell the board that

Page 97

1 people believed that the scale of Kik's network alone

2 would drive strong interest from the crypto investors

3 community?

4 A I mean, that is what it says there. But,

5 yeah, the purpose of the slide was that we believed

6 that the project could be funded, yes.

7 Q Okay. What is "the scale of our network

8 alone"?

9 A So in the world of blockchain, this was

10 going to be the first time that a large consumer base

11 would adopt and use a cryptocurrency. And at the time,

12 that had not yet happened.

13 Q Okay. And was that conclusion based in

14 part on CoinFund's work?

15 A Yes.

16 Q And so at the time you made this

17 presentation, was there a plan that Kik would alter --

18 would revise the Kik app so that people could conduct

19 transactions using Kin -- what would eventually be

20 called Kin?

21 A So given the date of this, the project was

22 just getting started. So it was in its, like, early

23 skeleton days. So was the plan created? No. But was

24 the idea in motion? Yes.

25 Q And the idea in motion was that Kik would

Page 98

1 revise the Kik app in order to allow its users in its
2 network to conduct transactions --

3 A That would introduce a cryptocurrency
4 inside of its messenger application to the millions of
5 consumers who use it. And they would be able to use
6 that currency to, like, earn and spend inside of Kik
7 and then out in the world.

8 Q And that was part of the idea as of the
9 time you made this presentation?

10 A I would -- I would have to look through it,
11 but yes. I mean, that was -- I would have to go
12 through it. I don't recall the timeline.

13 Q Okay. So was there some other way that --
14 at any time, was there some way that Kik intended to
15 use its network to -- to drive interest in the Kin
16 token, other than using its Kik -- other than the app?

17 A I'm sorry. I don't understand the
18 question.

19 Q Was there -- I'm just trying understand
20 what you're -- what you're not sure about. Was there
21 some other way that Kin -- Kik ever planned to use its
22 network to drive interest in the Kin token, other than
23 what you just described about implementing it in the
24 Kik app?

25 A No, not the way you're asking the question.

Page 99

1 Q Is there some way that -- is there any
2 other way?

3 A No. I mean, we would -- we would -- Kik
4 consumers would adopt Kin, and then they would have a
5 chance to use that throughout an ecosystem of digital
6 services once that face product was there. But I
7 think --

8 Q But adopting Kin would be in the Kik app?

9 A Yes.

10 Q Can I have you flip to the page that
11 says -- that has a 13 with the slide and ends in 463?

12 A Uh-huh.

13 Q Do you see it says, "Crowd funders have
14 strong appetites for exploration," at the top?

15 A Yes.

16 Q What were you explaining to the board on
17 this page?

18 A That there was a healthy appetite for
19 continuing to build upon the blockchain, and
20 particularly in terms of, like, consumer adoption. So
21 this was...

22 Q I wasn't sure if you were paused or
23 through.

24 A I'm through.

25 Q Okay. So did you tell the board that --

Page 100

1 well, do you see where it says, "68 percent," and then
2 next it says, "would invest in a tradable digital token
3 of a non-blockchain company that offered good risk
4 return potential"?

5 Do you see that?

6 A I do.

7 Q What were you telling the board there?

8 A This came. I was sharing the results of
9 the CoinFund investor survey for the source, and that
10 we would have enough interest to fund the project. I
11 mean, that was sort of we had good indication that if
12 we proceeded, that we would be able to fund the
13 project. That would be the summary of the slide.

14 Q Of the whole slide?

15 A Uh-huh.

16 Q Okay. And this section here was 68. What
17 was -- why -- what were you trying -- what is this
18 telling you?

19 A I honestly -- I don't recall. So whatever
20 it says right there, whatever the survey said.

21 Q Was it saying that people that would want
22 to get a good risk return potential in order to invest?

23 A If that was taken directly from the survey,
24 that is what it says.

25 Q Okay. Is that what you told the board?

Page 101

1 A No. I mean, I don't even recall going
2 through this in detail.

3 Q Okay. Is that what's on the slide for the
4 board?

5 A It is taken from the survey.

6 Q Okay. And who makes the slides up?

7 A Sometimes Tanner did. Sometimes Hayeon
8 did. Sometimes we edited them. This information is
9 directly from the survey.

10 Q Okay. See the second circle --

11 A Sorry.

12 Q Go, please.

13 A This is about -- like, Kik was not a
14 blotching company. So this is about, like, would
15 people who had interest in the blockchain believe
16 enough in the project to support Kik in doing it.

17 Q As opposed to maybe they would only want to
18 do blockchain?

19 A Correct.

20 Q And the answer that you at least found --

21 A They have a strong appetite to explore
22 outside of that.

23 Q If they were offered a good risk return
24 protection?

25 A Again, I didn't write the language. It

1 came from the survey.

2 **Q Okay. And then do you see where it says,**
3 **"76 percent," and then next it says, "Have owned four**
4 **plus types of digital tokens in the past year"?**

5 A Yes.

6 **Q What were you telling the board there?**

7 A Again, I don't recall. I'd have to merit
8 back to the survey. But this was just that people are
9 diversifying the types of, like, projects that they're
10 willing to participate in. That would be my
11 interpretation.

12 **Q And did that seem useful to you -- useful**
13 **information to have?**

14 A Yeah, actually.

15 **Q Why?**

16 A Because they're diversifying and
17 participating in all different types of experimentation
18 with the blockchain.

19 **Q And then 22 percent of them -- I'm sorry.**
20 **The second one is similar to the first one, just that**
21 **they own ten plus instead of four plus?**

22 A Yes.

23 **Q In the presentation, did you tell the board**
24 **the top reasons that the survey had given for investing**
25 **in the decentralized crowd funding?**

1 A I don't recall my delivery of the
2 presentation specifically. I will tell you that I tend
3 to summarize and move forward. So the chances of me
4 deep diving into any of this during a board meeting is
5 slim to none.

6 **Q Okay. Did it seem -- did these -- did this**
7 **information seem important to you at the time?**

8 A It just supported the stats above it. So
9 it was just trying to be complete in the sharing of the
10 research.

11 **Q And this is February. It's earlier than**
12 **the time we were talking about before.**

13 A Very early.

14 **Q Can you look at the page that's slide 21**
15 **and ends with the Bates number that ends in 471?**

16 A Yes.

17 **Q Did the presentation tell the board that it**
18 **would take three weeks to gauge preliminary investor**
19 **interest?**

20 A Whatever it says on here, yes.

21 **Q That's what it says here, right?**

22 A The preliminary validation piece you mean,
23 the three weeks to get to that piece? I don't know
24 which piece you're pointing to. Sorry.

25 **Q Sorry. Look at the first -- look at that**

1 **text.**

2 A Oh, sorry. Yes. So I didn't see that. I
3 didn't see the headline.

4 **Q So this is a slide that -- in this slide,**
5 **this slide told the board it would take three weeks to**
6 **gauge preliminary investor interest?**

7 A Correct.

8 **Q Okay. And so why were you gauging**
9 **investor -- preliminary investor interest?**

10 A I think it's worthwhile noting that words
11 like investor, token, digital, cryptocurrency, all of
12 this was a learning work in progress for anyone who
13 touched any of this project. So at the time, again,
14 this entire phrase was is it viable, is it interesting,
15 can we get it funded. And all three of those things
16 are built into this investor world.

17 But this particular one is, you know, can
18 we fund the project. Because if you could not fund the
19 project, it was not worthwhile moving forward.

20 **Q And how were you going to fund the project?**

21 A Through a token event.

22 **Q But -- in which people would buy tokens**
23 **through Kik?**

24 A They would buy the tokens through the token
25 event.

1 **Q Okay. So the word -- what I hear you**
2 **saying is that the word "investor," you're focused on**
3 **that?**

4 A You just see it changing throughout the
5 five documents that you gave me. So for me, as a
6 marketer, I look at crypto enthusiasts. I want people
7 who want to participate in the project. Early on, you
8 use words like "investor." There is words like "crypto
9 investor." There is words -- there's all sorts of
10 things that, you know, the more that we learned along
11 the way, that we learned the right terminology. The
12 same way that in my current job, I don't talk about
13 users, I talk about drivers and riders.

14 Sort of the same like that -- so for me, a
15 user could be a driver or a rider. But now, I would
16 call them a driver or a rider. And here, this three
17 weeks to gauge preliminary investors or crypto
18 investors per the research, when we looked at that, we
19 are looking at people who could fund the project and
20 then people who participate in the project.

21 **Q And so over time, did people at Kik stop**
22 **using the term "investor"?**

23 A I think -- you know, again, I think
24 everyone at Kik just wanted to -- they believed in the
25 project, wanted to do the right thing. So we -- like

Page 106

1 we probably started using the term specifically for the
2 funding piece, not for everything, right? So we
3 created a crypto community. We didn't create a crypto
4 investor community because that's not what the
5 community was about. So I think that there's lots of
6 evolution of this stuff. Again, I just -- we were --
7 everybody was learning along the way.

8 **Q And the funding piece was the token**
9 **distribution event?**

10 A Well, there were two faces of the funding.
11 There was the token distribution event, which opened it
12 up to the community of crypto enthusiasts and people
13 who wanted to participate in the funding events. And
14 then there was the presale, as they referred to it,
15 where they worked with them. I wasn't -- I didn't work
16 on that piece, but they worked with credited people who
17 wanted to fund the project.

18 **Q So was the word "investor" correctly used**
19 **for those two pieces?**

20 MR. CADIGAN: Objection.

21 THE WITNESS: I don't recall. I don't
22 recall.

23 BY MR. MITCHELL:

24 **Q I guess I'm trying to understand. Do you**
25 **think that -- so did the word -- did people just -- did**

Page 108

1 in this presentation for the board?

2 THE WITNESS: Yeah. He ran the board
3 meetings. He's the chairman of the board.

4 MR. MURTHA: If Mr. Livingston was not in
5 support of a token sale, do you think that Kik would
6 have proceeded to doing a token event?

7 THE WITNESS: No.

8 BY MR. MITCHELL:

9 **Q What makes you think that?**

10 A Because he was the founder CEO of the
11 company and the chairman of the board.

12 MR. SCHLEGELMILCH: Do you recall whether
13 or not the board members themselves -- the individual
14 board members were uniformly in favor of it or was it
15 mixed? Do you recall what came out of this board
16 meeting?

17 THE WITNESS: This board meeting, people
18 were in favor of it. But there was a lot of education
19 that was needed, as you can see from the front of the
20 stack. It's a super new concept, and not one that --
21 you know, the board is made up of BCs, a couple of
22 operators of other companies. And just like I said
23 about myself, we were all sort of learning along the
24 way.

25 MR. SCHLEGELMILCH: Do you recall any board

Page 107

1 **people start using different words other than**
2 **"investor" through the process?**

3 A There's different words in here. You have
4 "investor." You have "crypto" -- that's what I'm
5 referring to. You have all sorts of different words.
6 You have "stakeholders." You have "crypto investors."
7 You have "investor."

8 **Q Okay. So what does "stakeholder" here**
9 **mean?**

10 A Oh, stakeholders would be -- in this case,
11 it was users and potential people on the platform. So
12 developers, third-party digital services.

13 **Q Like other companies like Kik?**

14 A People who would join the ecosystem.
15 Correct.

16 **Q So that -- that's not -- stakeholder and**
17 **investor were different, right?**

18 A Yes.

19 **Q And then -- so users, what's users?**

20 A A user, when you're referring to Kik, would
21 be people who used Kik messenger service.

22 **Q Okay.**

23 MR. MURTHA: Did -- I think you had said
24 earlier -- I'm sorry. The copy that I have doesn't
25 have the agenda on it. But Ted Livingston participated

Page 109

1 resistance to this idea? Any individual board member
2 resistance to this idea?

3 THE WITNESS: I don't recall. Oftentimes,
4 we weren't always there through all -- like, I wasn't
5 part of the board of directors. So if there were board
6 level discussions that happened, I would not have been
7 part of the discussions.

8 MR. SCHLEGELMILCH: Were there questions
9 asked during your presentation? Was it more of a
10 dialogue or was it just that presentation?

11 THE WITNESS: I don't recall specifically.
12 Sorry.

13 BY MR. MITCHELL:

14 **Q CoinFund had done some work for Kik before**
15 **this meeting?**

16 A The timeline is tough for me.

17 **Q Totally understand.**

18 A All right.

19 **Q But I'm just going to -- I'll just take you**
20 **back to the page 13, the slide 13.**

21 A Okay.

22 **Q You see in the bottom left it says,**
23 **"Source: CoinFund investor survey"?**

24 A Oh. Then yes. Then yes.

25 **Q Yes. So when you gave this presentation --**

Page 110

1 at the time you gave the presentation, you were already
2 working with CoinFund?

3 A Yes. I think I had mentioned that before.

4 Q Okay. I'm just trying to understand. They
5 had done some work before. And then, at this later --
6 at some later date, they provided the document that we
7 looked at earlier that was Exhibit 39?

8 A Correct.

9 Q And one last thing. Can you flip to the
10 page that's 22. The Slide 22 that ends with Bates
11 number 472. Can you -- just to make sure that they can
12 see that?

13 A 472, is that what you said?

14 Q 472. Sorry. 472. What's that slide?

15 A This is just some examples for the board of
16 how other companies have proceeded with their token
17 events. So to give, yeah.

18 Q And why those?

19 A There weren't a lot of them, to be quite
20 honest. I didn't put this slide together. But it
21 shows success in sort of the raise and the value over
22 time.

23 Q And the companies that are listed there, do
24 you know what they do?

25 A Well, Ethereum, ways, I don't recall.

Page 111

1 Golem was the -- decentralized -- I don't remember. It
2 was using the blockchain in order to actually, like,
3 scale the way that people can actually, like -- how
4 quickly, like, the things could happen, like the
5 processing power.

6 Q Were any of those four messaging apps?

7 A No.

8 Q Were any of those four Kik's competitors?

9 A No.

10 Q Were any of those four -- did any of those
11 four have businesses that were sort of really similar
12 to Kik's?

13 A No.

14 Q Okay.

15 A They were all trying to solve problems that
16 had yet to be solved in traditional manners. They're
17 always in the blockchain. That would be the thread.

18 Q Just to sort of put us back in time, there
19 was a document that had notes. There was a Google Doc
20 that we looked at, Exhibit 79.

21 A Yeah.

22 Q So I think we had said earlier this --
23 people seemed to be discussing the CoinFund's work,
24 that, you know -- and there was this CoinFund document
25 we saw from March 21st. I want to take you back to the

Page 112

1 point after -- you know, after Kik got the first
2 CoinFund report. What happened? What was the work
3 going forward from there?

4 A I'm sorry?

5 Q After CoinFund gave this first report, what
6 happened?

7 A The report that went into the board?

8 Q Sorry. I think the board is in, like, the
9 middle of February. And then there's a report that is
10 March -- at least on its face, it says March 21st in
11 there. At least on the e-mail where you -- on
12 March 21st --

13 A Sorry. Right. Yes.

14 Q I'm just trying to take you back to March.

15 A Yeah. Okay.

16 Q But, again, that's something that's really
17 hard to, like, remember exactly what date.

18 A Yeah. I mean, I look at this date, and I'm
19 pretty sure I was probably in Mexico. But yes.

20 Q Okay. Well, end of March --

21 A Okay.

22 Q -- CoinFund provides something. There is
23 discussion at Kik. What happens next?

24 A I mean, I think -- again, I don't know the
25 time frame specifically. I don't recall having this

Page 113

1 deliverable, although clearly I sent it. This gave us
2 a lot of information to think through the right
3 business model, the right specifications, and actually
4 really, like, unpacking the product -- the project
5 vision. Like that is -- from March to May, that is all
6 we did, I guess I would say.

7 Q Was there a meeting where Ted Livingston --
8 well, sorry. In the early stages, was knowledge about
9 this idea sort of limited to executives?

10 A In the very early stages, when we were
11 exploring, as evidenced in the board deck, they --
12 also, that first piece was about the work that Credit
13 Suisse had done.

14 Q Yeah.

15 A So early on, nobody except execs from board
16 were really of that. By the time March happened, I'm
17 not sure.

18 Q Okay. Was there a meeting where Ted
19 Livingston sat down with people beyond the executives
20 and told them about the ICO idea -- or told them about
21 what became the Kin project?

22 A At some point, yeah. For the whole
23 company, yes, he would have done that.

24 Q Okay. Were you -- what -- do you remember
25 some meeting? I guess I'm trying to...

Page 114

1 A It was common at Kik. We would have all
2 hands meetings. And then these all hands
3 presentations, Ted would often -- that would be the
4 point at which Ted would share this more broadly with
5 the company.

6 **Q Were those called sit-downs?**

7 A Oh, yes. Yes.

8 **Q So a sit-down would potentially be with
9 everybody at the company?**

10 A Correct.

11 **Q And do you remember Mr. Livingston running
12 one of those meetings to just -- to sort of educate
13 everyone about the project?**

14 A Vaguely, yeah. I mean, I remember -- I was
15 in New York at the time, so we would be virtual. But,
16 yeah, I recall when he stood up and talked about the
17 project.

18 **Q What happened?**

19 A He shared the intention, if I recall, gave
20 a little bit of background of why he was thinking
21 blockchain was the right solution for the problems that
22 we had, and try to help people understand it, and
23 hopefully get them excited about the potential to be
24 part of it.

25 **Q And was there -- was there reaction at the**

Page 116

1 present. It must have been something he presented at
2 sit-down.

3 **Q Let me just run -- I'm going to ask a
4 factual question. On page 488, at the top, it says,
5 "App Aiming Data"?**

6 A Yeah. It's a tool that you can use to --
7 it's not the -- it's a tool that you use to sort of
8 gauge the growth patterns of any app business
9 basically.

10 **Q And did -- sorry. So that slide is just
11 showing Kik using some data set. Viper, Tango, and
12 Snapchat I assume are similar messaging apps.**

13 A These are messaging apps, yes. It's
14 demonstrating that all messaging apps are having the
15 same challenges in terms of growth.

16 **Q I'm sorry. Do you remember anything --
17 just sort of giving this at some level, feel free to
18 flip through and what lawyers call refresh your
19 recollection. And just to try to remember, do you
20 remember what Mr. Livingston told people at the
21 meeting?**

22 A To the best of my recollection, we had
23 talked a lot in the past about the path for Kik. We're
24 a small company. And especially in Waterloo, there are
25 people who even if they weren't part of things would

Page 115

1 **meeting?**

2 A I wasn't -- I wasn't in the room.

3 **Q Okay. Was there a reaction in New York by
4 people?**

5 A Yeah. I think people -- I think that
6 people generally believed in the project, were excited
7 about the potential to dig in to something as new as
8 what was happening in the blockchain, and felt
9 encouraged that, you know, this would be the path that
10 Kik would go down.

11 **Q Do you remember whether he used slides?**

12 A He always used slides when explaining
13 things. So I would say yes.

14 **Q Okay. Why don't I --**

15 MR. MITCHELL: Let me ask the reporter to
16 mark that as the next exhibit, which would be 80.

17 (SEC Exhibit No. 80 was marked for
18 identification.)

19 BY MR. MITCHELL:

20 **Q So this is a document with the Bates number
21 KIK_00017486 through 498. And just on its face, it
22 says "Financing Update." Can you just flip through it.**

23 **My first question is going to be: Do you
24 recognize the document?**

25 A Vaguely, yes. It looks like what Ted would

Page 117

1 hear about things. So people knew that we were having
2 these financing conversations with Credit Suisse. And
3 so this was a chance for Ted to address the company and
4 be more transparent about what was happening and about
5 our intentions to move forward and leverage the
6 blockchain as a potential solution.

7 **Q And did he discuss CoinFund's work at all?**

8 A Only for what was in this. So the
9 validation for the opportunity would be the areas that
10 I would guess came from that work.

11 **Q Sorry. You're looking at one of the
12 slides?**

13 A I'm looking at the Slide 492.

14 **Q So then what -- once sort of the idea had
15 been discussed out into the broader company, what
16 happened next?**

17 A After this presentation?

18 **Q Yeah. Well, after the -- yeah. After that
19 meeting, what happened? What was the reaction?**

20 A The same as I said before. I think that
21 people seemed to be excited and encouraged to move
22 forward with the Kin project, to the best of my
23 recollection.

24 MR. LEASURE: Who wrote these slides?

25 THE WITNESS: Yeah, you know, I'm not

Page 118

1 exactly sure. This was definitely -- this is not my
2 work or the work of my team. I don't recall if he used
3 the specific slides.

4 MR. LEASURE: And there's images, I guess
5 the slides themselves, and there's text underneath.

6 Do you see that?

7 THE WITNESS: Yes.

8 MR. LEASURE: Who wrote the text?

9 THE WITNESS: I don't -- I don't recall,
10 but these would be notes in the slide.

11 MR. LEASURE: Would Ted himself write
12 slides like these?

13 THE WITNESS: Maybe. I mean, he could. I
14 mean, he's pretty cautious about, like, how he
15 addressed the company, so he may have written notes for
16 himself. But I don't recall.

17 BY MR. MITCHELL:

18 Q Did you see his notes for this meeting?

19 A I don't recall.

20 Q Okay. So --

21 A Is this dated?

22 Q I mean, I just want to tone it down. There
23 is an e-mail. It seems to be an attachment to a
24 March 28th e-mail.

25 A Okay.

Page 119

1 Q But, again, I'm just sort of trying to
2 figure out what it was.

3 A Okay.

4 Q Did Kik ask CoinFund -- in this time
5 period, after you got the first research in, did Kik
6 ask CoinFund questions -- more questions to get answers
7 to?

8 A About -- I mean, again, after the first
9 survey work?

10 Q Yeah.

11 A Well, we engaged them in a longer term
12 project, which was outlined in what we went through.

13 Q Okay. So tell me -- so you continued to
14 work with them?

15 A Correct.

16 Q Did CoinFund give you -- did CoinFund give
17 Kik drafts of sort of a second deliverable to look at?

18 A Which deliverable?

19 Q A second document that answered -- or a
20 second document providing information.

21 A I don't -- you'd have to be more specific.
22 I'm sorry. There was a consultant. And as a
23 consultant -- you got lots of things from consultants.

24 Q Sounds good. Did they give you -- they
25 gave you -- did they give you -- they gave you --

Page 120

1 eventually, they gave you another -- like, another
2 written document like Exhibit 39?

3 A You'd have to refresh my memory.

4 Q Sure. I'll give you what's been marked as
5 Exhibit 40. Do you recognize Exhibit 40, which is a
6 multi-page document with the Bates stamp CoinFund
7 007597 to 7621?

8 A I mean, vaguely. This is -- this wasn't
9 part of my area, like my scope.

10 Q What do you mean?

11 A Huh?

12 Q What do you mean?

13 A As the head of marketing, these are not the
14 types of things that I was ultimately responsible for.
15 This is a lot about the model, the risk. It's all
16 compliance, finance.

17 Q I guess let me just ask -- just as a basic
18 question, is that the -- is that a research
19 deliverable -- is that the research deliverable that
20 they gave Kik, do you know?

21 A It would appear so.

22 Q Just to be -- mark 81.

23 (SEC Exhibit No. 81 was marked for
24 identification.)

25 BY MR. MITCHELL:

Page 121

1 Q 81 is a multi-page document, Bates number
2 CoinFund 020091.

3 A Okay.

4 Q And then it has documents on the back of
5 it, which are Bates numbered 19854 through 19884. Just
6 look -- just look at the first page for me.

7 A Yep.

8 Q The first page appears to be an e-mail with
9 the date from Jake Brukman to Peter Heinke, Hayeon
10 Kim, Erin Clift, and CC'ed to coreteam@coinfund.io.

11 Do you see that?

12 A Okay.

13 Q Dated April 3rd.

14 Do you recognize this document?

15 A Not specifically, but...

16 Q Okay. Does it appear to be a document that
17 Mr. Brukman sent you?

18 A Yes.

19 Q Okay. And when he sent you things, did he
20 tend to -- if he wanted to send you a document, did he
21 tend to link them, or how did he tend to provide a
22 document to you?

23 A Attach or linked.

24 Q Or linked. Okay. And so looking at this,
25 does this appear to be links?

Page 122

1 A These appear to be links.
 2 **Q So looking at -- feel free to either look**
 3 **at Exhibit 40 or you can --**
 4 A Okay.
 5 **Q -- flip the page, and you can see that**
 6 **second -- the page that has a Bates number that's 854**
 7 **is additional research. Either one of them. Are**
 8 **these --**
 9 A I'm sorry. Which one? Are these the same
 10 thing or not the same thing?
 11 **Q They are -- they are two different**
 12 **documents in that they have different Bates numbers.**
 13 **Do either of them look familiar to you? Do**
 14 **either of them look like -- do you remember reviewing**
 15 **them at all?**
 16 A We received lots of back and forth
 17 documents. Probably worthwhile noting that I was -- I
 18 received everything, because as I mentioned before, I
 19 was sort of project managing stuff. This document was
 20 clearly not directed towards me.
 21 MR. LEASURE: Who was it directed towards?
 22 THE WITNESS: It was talking -- I mean,
 23 it's specifically addressing questions from Peter per
 24 document on -- so my -- this is questions around
 25 business model, the token distribution event

Page 123

1 specifically, the compliance stuff it looks like. So I
 2 think that that would be -- and those were more in that
 3 area than marketing.
 4 BY MR. MITCHELL:
 5 **Q The additional research that you have in**
 6 **front of you, was that shared with other executives?**
 7 A I couldn't say -- I couldn't say for sure.
 8 **Q Okay. I'm going to give you what we're**
 9 **going to mark as 82.**
 10 **(SEC Exhibit No. 82 was marked for**
 11 **identification.)**
 12 BY MR. MITCHELL:
 13 **Q 82 is a one-page e-mail.**
 14 A Yep.
 15 **Q Bates numbered KIK_0024851, from Erin**
 16 **Clift, dated April 4th.**
 17 A Yep.
 18 **Q To that exec@kik.com e-mail address, Hayeon**
 19 **Kim and Tanner Philp. Do you see that?**
 20 A Yes.
 21 **Q Just looking down at this, is this a**
 22 **document where you provided --**
 23 A Yes.
 24 **Q -- other Kik execs with CoinFund's**
 25 **documents?**

Page 124

1 A Yes. Yes. I mean, this was a very common
 2 piece of my job during that time, which was project
 3 management.
 4 **Q Passing the information along?**
 5 A Just trying to make sure that we were
 6 transparent about the things that we got so people
 7 could, you know, do the best job that they can do and
 8 whatever they were meant to deliver.
 9 **Q Sure. The first sentence has -- well, it**
 10 **says, "Team, below are the relevant materials and**
 11 **agenda for our meeting tomorrow morning."**
 12 **Do you see that?**
 13 A Yes.
 14 **Q Do you have any memory of this meeting?**
 15 A So once the project was approved after the
 16 board meeting and after the sort of validating, this is
 17 when we got into the work streams of actually going to
 18 that, to the deliverable dates. So this was, like, the
 19 launch of the project management phase. So we met at
 20 least weekly and I think, in big chunks of this,
 21 biweekly. And then there was separate words -- but
 22 this is likely referring to the meeting of people who
 23 owned pieces of this.
 24 **Q And so what were the pieces that had to be**
 25 **owned?**

Page 125

1 A You know, it evolved. I mean, they were --
 2 like mostly, it was like the components of the white
 3 paper, and then what would happen when we released the
 4 white paper. So it was -- that was mostly what it was.
 5 **Q What kind of things would happen?**
 6 A In the white paper, it was a lot of having
 7 to, like, dig deeply into technical requirements,
 8 technical feasibility requirements, the feasibility,
 9 the modeling of the Kin rewards engine, which we
 10 referenced before, how the ecosystem would work, doing
 11 more user research, and then the minimal pieces of the
 12 event where we launch our intention to the Kin white
 13 paper. And the website, getting the website up and
 14 running, do the video. The communications plan, the PR
 15 plan, things like that.
 16 **Q So just sort of building up what you're**
 17 **saying. As part of the time from -- you know, from**
 18 **this point, when you validated the project, to the time**
 19 **that you left Kik, were you in charge of marketing the**
 20 **Kin project through that whole time?**
 21 A My job was -- I would say I was held
 22 responsible for getting the white paper to the point
 23 that it got by literally being the quarterback, I
 24 guess. I don't know how to -- I mean, I certainly -- I
 25 couldn't -- I couldn't write most of that white paper.

Page 126

1 I was responsible for all of the collateral and assets
2 that we used during the May time frame. So, again, the
3 websites, the video, the content.

4 Rod worked on the communications plans. So
5 that was a PR plan, social plan. And then we sort of
6 shared responsibilities as some of those, like -- yeah,
7 that was in the community pieces. So Slack. At the
8 time, for me, it was just Slack.

9 **Q What were -- so in terms of sort of**
10 **communicating out -- outside Kik, "Hey, this is what**
11 **we're going to do. This is why, you know" -- "This is**
12 **what we're doing," and letting people learn about it**
13 **and decide. What were to you the important ways that**
14 **you communicated the important documents? What were**
15 **the ways that Kik educated?**

16 A We tried to point people to the white paper
17 so that they had a complete, full understanding of the
18 project.

19 **Q And was the white paper -- strike that.**
20 **The white paper --**

21 A The white paper was available via the
22 website.

23 **Q And that was about the same day that --**

24 A May 25th.

25 **Q And did the white paper change after**

Page 127

1 **May 25th?**

2 A So it -- I'm not sure if it changed during
3 my tenure. But they tend to expand on pieces of it.
4 So you could -- and this is a common occurrence in
5 these types of projects where you launch something and
6 then you engage the community to help build pieces of
7 it that are a little bit harder. So technical aspects,
8 security aspects. So there was -- that's pretty
9 common. So if anything changed, it was more of
10 addendums and add-ons, so providing more information
11 over time.

12 **Q Separate from the white paper?**

13 A I mean, they're -- it's part of the white
14 paper.

15 **Q Sorry. Let me just -- I'm going to --**

16 A A white paper is a living document.

17 **Q Okay. While you were at Kik, were there**
18 **multiple versions of the white paper made public?**

19 A No. It was a single white paper. And I
20 don't recall if they provided -- there was plans to
21 provide, like, more technical sections of the white
22 paper, I guess is the right way to term it. I don't
23 recall if they did that before I left or not.

24 MR. SCHLEGELMILCH: Just for -- in the
25 same -- when was your last day at Kik, or when did you

Page 128

1 effectively leave Kik?

2 THE WITNESS: So I notified Ted of my
3 intention to leave in the summer, and then committed to
4 staying through the token event as to not disrupt the
5 team and have them deal with that. So my official last
6 day was at the end of September. I take most of August
7 off. So I was in Montauk most of that time. So my
8 official last day was September, after the token event.
9 I don't remember the exact date.

10 MR. SCHLEGELMILCH: You just said that, you
11 know, you don't recall any revisions or additions
12 during your tenure. I just want to make sure that --

13 THE WITNESS: I don't know if we released
14 them. We definitely discussed them; we did not release
15 them.

16 MR. SCHLEGELMILCH: Okay. I just want to
17 make sure that I know when your tenure ends.

18 THE WITNESS: Oh, sorry. Yeah. September.
19 September time frame.

20 MR. SCHLEGELMILCH: Okay.

21 BY MR. MITCHELL:

22 **Q Was there a decision at some point -- was**
23 **there a drafting of a technical white paper at some**
24 **point?**

25 A Certainly.

Page 129

1 **Q And was that released while you worked**
2 **at --**

3 A I don't recall if it was finalized and
4 released or not. I think maybe one of them was, but I
5 don't recall specifically. I'm sure that information
6 is available elsewhere, though.

7 **Q So other than the white paper, were there**
8 **any other -- you know, to you, important documents in**
9 **terms of educating people about the Kin token?**

10 A From my group -- I mean, website
11 communications?

12 **Q Press releases.**

13 A The press releases -- sorry.
14 Communications, press releases.

15 **Q Okay.**

16 A We did a bit of press tour. We did
17 interviews in on month. There was probably, like, a
18 press kit along with that that had the abstract of the
19 white paper in it. And I'm not -- I -- if there are
20 other things, I don't recall them.

21 **Q Yeah. I'm just trying to understand. From**
22 **your point of view, what were the important -- were**
23 **Tweets an important part of -- to you, was that an**
24 **important part of the...**

25 A Well, those aren't things that you plan

Page 130

1 ahead of time. So there was -- we communicated to --
 2 so when the paper was released, we invited people who
 3 were interested in talking about it into different
 4 forums. And they could ask questions via Twitter. You
 5 could discuss it on Slack. At the time, I believe
 6 those were the two primary forums. And various people,
 7 not really necessarily in marketing, engage with
 8 audiences in those places.

9 MR. SCHLEGELMILCH: Were those fora -- is
 10 that the plural for forums, fora? Were those fora
 11 curated by Kik? Meaning like, the nut jobs get
 12 filtered out? Because, I mean, having seen internet
 13 comments for however long the internet existed, there's
 14 a lot of --

15 THE WITNESS: No. Again, you have to
 16 remember, like, the whole idea behind the blockchain is
 17 open, fair, transparent, decentralized. So unless
 18 somebody was doing something that violated such
 19 standards of -- we didn't do filtering necessarily of
 20 the people.

21 MR. SCHLEGELMILCH: Or curating of content?
 22 Was there an effort to sort of make sure that the
 23 content was on message or...

24 THE WITNESS: You know, I think it was just
 25 trying to answer the questions to the best of people's

Page 131

1 ability. And, again, going back to the -- we're
 2 talking about a group of people who were -- we were all
 3 new to the space, and we were working in a deep, deep
 4 gray area, right? There was -- like, a lot of the
 5 questions that were asked didn't have black and white
 6 answers. So there weren't a lot of, like, hand
 7 responses, unless it was we simply cannot answer it
 8 that at time.

9 MR. LEASURE: Were there -- were there
 10 common questions that were asked at this forum?

11 THE WITNESS: I mean, probably a lot about,
 12 early on, the timing of the token event, more product
 13 details. I just don't remember all of them. But that
 14 would be the common questions about Kik, about -- I
 15 don't remember.

16 MR. LEASURE: What questions were there
 17 about Kik, if you had to categorize them?

18 THE WITNESS: You know, actually, I don't
 19 know. I mean, I think that people were always curious
 20 about, you know, what Kik users love to do in Kik. So
 21 when you're going back to that, we're going to build
 22 something that people already do today. They asked
 23 questions that were -- that they read through in the
 24 white papers. So people asked questions from that. So
 25 I think that if Kik was referenced, they would go back

Page 132

1 to that and reference that. So...

2 MR. LEASURE: Do people -- again, these
 3 are, I assume --

4 THE WITNESS: I mean, again, I really don't
 5 remember. This is the...

6 MR. LEASURE: I appreciate that.

7 THE WITNESS: Yeah.

8 MR. LEASURE: Were -- did people ask about
 9 how the messaging app was doing?

10 THE WITNESS: I don't remember. It's
 11 possible.

12 BY MR. MITCHELL:

13 **Q As part of the marketing, did people from**
 14 **Kik make speeches or public events?**

15 A Yes.

16 **Q Like, where?**

17 A We announced the Kin project at an event in
 18 New York City. Ted was on stage and announced it.

19 **Q Any others?**

20 A Interviews. He did, I mean, a ton of
 21 interviews. One or two probably on television. I
 22 don't remember other, like, big events, though it's
 23 quite possible there were some.

24 MR. SCHLEGELMILCH: Did anyone other than
 25 Mr. Livingston get interviewed or appear on stage, or

Page 133

1 was it always Mr. Livingston that served as the public
 2 face?

3 THE WITNESS: As the face of this? To the
 4 best of my recollection, it was Ted.

5 MR. LEASURE: Why was Ted --

6 THE WITNESS: Because he's the chairman and
 7 CEO, the founder of the company. I mean, it was -- he
 8 was the logical person to talk about it. No?

9 MR. LEASURE: No, I mean, can you expand --
 10 was there any thinking on we should have other people
 11 at Kik involved -- do some -- be the face of it?

12 THE WITNESS: Ted liked to be the face of
 13 it.

14 MR. LEASURE: He wanted to be the face of
 15 it?

16 THE WITNESS: He -- again, it was -- he was
 17 championing the vision as the CEO and founder. And I
 18 think that's pretty common.

19 MR. LEASURE: That's fine. Would you say
 20 he was driving the vision, you know, from the inception
 21 of this idea, pivoting into the crypto space? Was he
 22 helping to drive that vision within Kik?

23 THE WITNESS: He was certainly helping to
 24 drive that vision within Kik.

25 MR. SCHLEGELMILCH: And it sounds like

Page 134

1 driving that vision publicly as well?

2 THE WITNESS: Yeah. I mean -- so flipping
3 this a little bit, when you are -- when a company is
4 invited to speak at an event, they want the CEO to
5 speak at the event. So it kind of goes both ways. So,
6 yes, he was the public face of the project for sure.

7 MR. SCHLEGELMILCH: On the YouTube video
8 that I think you mentioned earlier, who was -- was
9 there a human being in the YouTube video or...

10 THE WITNESS: The Kin project video?

11 MR. SCHLEGELMILCH: Correct.

12 THE WITNESS: Ted was the person in the --
13 oh, other people. Yeah. So we had -- that video
14 included other people talking about the project,
15 including Fred Wilson, Jake Brukman, maybe somebody
16 from Coin Tree, but I don't recall.

17 MR. SCHLEGELMILCH: Okay. But
18 Mr. Livingston was also featured in that video?

19 THE WITNESS: Yeah. He told the story.
20 Yes.

21 MR. SCHLEGELMILCH: Okay. Thank you.
22 I have nothing else.

23 MR. MITCHELL: We're going to off the
24 record at 12:34.

25 (Recess.)

Page 136

1 then all in one place.

2 **Q And who -- I guess, who led the white paper
3 drafting?**

4 A In my recollection, there wasn't a single
5 person. So as we discussed, I project managed it. So
6 just trying to make sure things were happening. There
7 were different ownership at different pieces of it.
8 And, you know, in the end, those pieces came together.
9 And then for tone of voice and for accuracy, some of us
10 had to go through it.

11 **Q Who?**

12 A Jake. You know, like I said, he was sort
13 of shepherding the white paper. I certainly got pieces
14 of it in the upfront sections, on the vision and the
15 abstract piece. He had, you know, multiple people on
16 technical pieces and the product pieces that were more
17 familiar in those areas. You know, just doing
18 everything that we could to make sure that it was
19 right, reflected the vision of the projects, and
20 provided as much information as we could.

21 **Q There was -- I'm going to try to avoid
22 handing you ten different drafts and going through
23 them. So we're going to avoid that. There was -- do
24 you remember at any point having a discussion with
25 Mr. Livingston about not mentioning the company WeChat?**

Page 135

1 MR. MITCHELL: Back on the record at 1:33.

2 BY MR. MITCHELL:

3 **Q During the lunch break, did you have any
4 substantive conversations about the case with the
5 staff?**

6 A No.

7 **Q Okay. So we have talked a little bit
8 earlier this morning about the white paper that was
9 eventually published. How was the white paper drafted?**

10 A Is there a specific question you asked of
11 that or you just want the overall --

12 **Q The overall -- let's start with overall.
13 What was the -- yeah. What was the overall?**

14 A An outline was created, and discussed, and
15 revised, and discussed, and revised, and discussed, and
16 revised, and finalized. And then people were typically
17 assigned areas based on their expertise and knowledge
18 base that they would sort of lead the writing of the
19 piece of the white paper. And we would do those
20 things, come back together, do those things, come back
21 together. And there was more revisions than I could
22 possibly remember.

23 **Q Again, did you use sort of Google Docs at
24 times so that people could read the documents --**

25 A We did. We did. We did in sections, and

Page 137

1 A Yes, vaguely.

2 **Q Tell me about that.**

3 A The context is fuzzy.

4 **Q Yeah. Go ahead. Totally understand.**

5 A But I do recall a conversation, I just
6 don't recall the exact context. It was something about
7 calling them out in the white paper.

8 MR. MITCHELL: I'm just going to mark --
9 have marked as Exhibit 83 a document that's CoinFund
10 012746. On its face, it appears to be a May 25th
11 e-mail.

12 (SEC Exhibit No. 83 was marked for
13 identification.)

14 BY MR. MITCHELL:

15 **Q That's actually the date of the
16 announcement.**

17 A Okay.

18 **Q Do you recognize this document?**

19 A Yes.

20 **Q What is it?**

21 A It's an e-mail from me to Jake Brukman.

22 **Q Okay. It's a chain, right?**

23 A Yes.

24 **Q He sent -- you sent an e-mail, he sent an
25 e-mail, then you sent an e-mail?**

Page 138

1 A Correct.

2 **Q Okay. And so there's a -- there's a part**

3 **at the bottom about removing something from WeChat. So**

4 **what -- did this -- if this refreshed your**

5 **recollection, what is this about?**

6 **I'm just trying to understand it.**

7 A So when we talked at the beginning of this

8 conversation we're having in the testimony, we talked

9 about sort of the premise of the challenge that Kik

10 had, which there was a set of companies that amassed

11 the largest audiences, and they could sell the data

12 they get from the time and attention of consumers to

13 advertisers to fund things. WeChat could be considered

14 an example of that, as could Facebook, or as could

15 Google or other places. And there was initial -- some

16 of the initial storytelling in the vision of it, they

17 used WeChat as an example. And then they decided to

18 remove that example.

19 **Q And in sort of the initial e-mail from**

20 **May 24th, there's a part where it says, "Disappointing**

21 **and last minute, but necessary in the right decision in**

22 **the long term."**

23 A So I was disappointed that it was literally

24 May 25th. And this was probably Version 722. And that

25 this is something that we probably should have made the

Page 139

1 changes before the final draft. That was my

2 disappointment. But, yes, necessary in the right

3 decisions, because WeChat, Tencent were investors in

4 Kik. So...

5 **Q And then in the e-mail that's actually at**

6 **the top, I think, the 2:42 in the morning e-mail, it**

7 **says, "We think it's good to just leave out. People**

8 **will use their imagination and assume it's WeChat or**

9 **Facebook we referenced. And Ted can make the points on**

10 **stage and in the press as we've already done."**

11 **What did you mean there?**

12 A We talked about the challenge in the

13 marketplace. There's, you know, a handful of companies

14 who have amassed large audiences. And a lot of these

15 other companies aren't able to compete because much

16 amassed large audiences. You don't have the consumers

17 to sell to advertisers. That's what -- it's just the

18 story line, and you -- people can assume who you're

19 talking about without suggesting the specific

20 companies.

21 **Q So people understand --**

22 A The premise --

23 **Q -- who has amassed audiences --**

24 **(Simultaneous speakers.)**

25 A Right. I mean --

Page 140

1 **Q WeChat --**

2 A Yeah. Yeah.

3 **Q WeChat would come to mind?**

4 A Correct.

5 **Q I see. Okay. And so in writing the white**

6 **paper, did you sort of weigh, when you decided what to**

7 **put in it or not put in it, what people already knew**

8 **out in the world?**

9 A I'm sorry. Can you repeat the question?

10 **Q Sure. When you were drafting the thing**

11 **about what needed to go into the white paper or what**

12 **could be left out, did you weigh sort of some facts**

13 **that people already knew, and so therefore you didn't**

14 **have to put those in the white paper?**

15 A So in this specific reference, you're

16 talking about the context for the vision. And the

17 original context, we did point out. And then, as you

18 can see here, we decided that that wasn't the right

19 thing to do.

20 **Q But -- and you thought that people could --**

21 **who knew the market could use their imagination and --**

22 A The story line plays out in every media

23 article when talking about the advertising industry.

24 So, yes, like, anyone who is familiar with that would

25 be able to understand what -- an example of a company

Page 141

1 that might fall into that, yes.

2 **Q Okay. That WeChat would be potentially one**

3 **of those?**

4 A Potentially one of those, yes.

5 **Q What did you mean that, "Ted can make the**

6 **points on stage and in the press, as we've already**

7 **done"?**

8 A Telling the story without referencing

9 specific names of other companies. This wasn't

10 about -- this wasn't against companies. This was for

11 the project.

12 **Q So I'm going to give you what has already**

13 **been marked as Exhibit 2.**

14 A Did you want me to put this in the folder?

15 **Q Oh, yeah, let's put it in the folder.**

16 **Okay. I'm going to give you guys**

17 **Exhibit 2, which is the white paper. This Exhibit 2 is**

18 **Bates numbered KIK_000001 to 28.**

19 **My first question is: Do you recognize**

20 **this document?**

21 A Yes.

22 **Q What is it?**

23 A This is the Kin white paper or, in terms

24 here, position paper. That was released on May 25th.

25 **Q And that's the white paper that we**

Page 142

1 discussed earlier in the day?

2 A Correct.

3 Q And so when this was being drafted, what
4 was the -- what were you -- what was the point of
5 drafting this and publishing it?

6 A The purpose of drafting a position paper is
7 to provide context, vision, and as much detail as
8 possible for a project. This is a standard of how
9 people would discuss projects in a white paper format.

10 Q Sorry. In, like, a blockchain project?

11 A Yes.

12 Q Is this standard outside of blockchain
13 projects to run a business?

14 A I wouldn't be able to answer that broadly.

15 Q In your business experience, was announcing
16 a project with a white paper, was that a standard thing
17 you've done in the past?

18 A If I were to -- I mean, like in going back
19 to my verbal resume --

20 Q Yeah.

21 A -- I wrote a business plan for Goliath
22 Falls, which was a startup that I went to. So that
23 would probably be a parallel here.

24 Q And did you publish the Goliath Falls
25 business plan on the internet?

Page 143

1 A It was before the internet really took off.

2 Q Did you just -- did you provide the Goliath
3 Falls business plan to the public?

4 A To relevant stakeholders. At the time, it
5 wasn't -- I mean, no. The difference -- I understand
6 where you're going here. The difference here is that
7 this was meant to be read by a large community of
8 people who would both be interested in funding the
9 project and participating in the project. So they had
10 a much broader audience than a typical business plan
11 might have. That is why people who do projects in the
12 blockchain. And, again, I'm going back to the tenets
13 of the blockchain, open, fair, transparent. So...

14 Q I'm going to -- again, I have put myself at
15 a disadvantage by only having two copies. Can you just
16 sort of flip through? There's a part where it starts
17 to have use cases. Can you look at page KIK 11?

18 A Okay.

19 Q If you can -- yeah. So starting at 11,
20 there's a section you see where it says, "Kin
21 integration in Kik."

22 A Okay.

23 Q And then it goes on to the next couple of
24 pages. It says -- it has some things like -- starting
25 on 13, it has example use cases. Do you see those?

Page 144

1 A I do.

2 Q So why are the use cases there?

3 A In the white paper?

4 Q Yeah.

5 A So, again, it's supposed to paint a vision
6 and talk a bit about the potential. And so these
7 examples provide a bit of what would be possible down
8 the line.

9 Q When the white paper was released, could
10 anyone actually do the things that are mentioned in
11 those use cases?

12 MR. CADIGAN: Objection.

13 THE WITNESS: With Kin?

14 BY MR. MITCHELL:

15 Q Yeah.

16 A Kin didn't exist yet when the white paper
17 was released.

18 Q At the time you left Kik?

19 A Well, I'll finish answering the first
20 question.

21 Q Sure.

22 A These types of experiences existed.

23 Q Sorry. So you mean there were VIP groups
24 inside Kik?

25 A In groups, there were groups inside of Kik.

Page 145

1 You could exchange through Kik points, which I'm sure
2 you read about. You were able to redeem things for
3 stickers and things like that. Some of these
4 experiences existed in Kik.

5 Q At the time the white paper came out, could
6 anyone use Kin tokens in connection with any of the use
7 cases that are here?

8 A When the white paper came out, no.

9 Q And when you -- when left Kik?

10 A I left literally, like, at the moment of
11 the token event. So I was not -- I'm not able to
12 address anything that happened when people held Kin.

13 Q Okay. Well, as of the time you left, was
14 the Kik app -- did the Kik app have features that would
15 allow people who use Kin tokens to do any of these use
16 cases?

17 A Again, I wasn't -- I left. These use cases
18 in the white paper, as you read the context, wasn't
19 saying that all of these things would be available to
20 do on day one. These were saying these are the types
21 of things that we would invite developers as part of
22 the ecosystem to build out. And that, you know, Kik
23 was would start it with something, which I'm not sure.
24 I'd have to go back and read this. I don't work in the
25 product organization, so this isn't part of my work.

Page 146

1 MR. SCHLEGELMILCH: I'm sorry. Just to the
2 extent of your knowledge, do you -- do you know if at
3 the moment you left the company, if any of those use
4 cases were viable with Kin or available through use of
5 Kin?

6 THE WITNESS: The day that I left the
7 company?

8 MR. SCHLEGELMILCH: Yes, ma'am.

9 THE WITNESS: That would be these use
10 cases?

11 MR. SCHLEGELMILCH: Any of them.

12 THE WITNESS: There was a Kin use case
13 available when I left the company. I don't know if any
14 of these were in development. I just wouldn't know
15 that answer. You'd have to talk with somebody at
16 product.

17 BY MR. MITCHELL:

18 **Q You had mentioned developers.**

19 A Also note that I worked -- I didn't even
20 work in the office where products were held. So it's
21 not like there were discussions happening. I'm sorry.

22 **Q You mentioned developers earlier.**

23 A Yes.

24 **Q Can developers add features to the Kik app
25 on their own?**

Page 147

1 A Previously?

2 **Q While you worked at Kik.**

3 MR. SCHLEGELMILCH: You mean third-party
4 developers, right, Brent?

5 MR. MITCHELL: Yes.

6 BY MR. MITCHELL:

7 **Q I mean developers, people who don't work at
8 Kik. Can they add things to the -- can they add
9 features to the Kik app unilaterally?**

10 A There was a group of people who worked with
11 third-party developers to develop features,
12 experiences, and bots that lived on the Kik
13 application, yes.

14 **Q And could people put a bot or experience or
15 those things you just described in the Kik app without
16 Kik's approval?**

17 A There was always -- so when we had, like,
18 the bot shop as an example, there's always a quality
19 assurance approval process. We didn't want
20 inflammatory content, inappropriate experiences. So
21 there was an approval process. But the idea was, was
22 that pieces of Kik were open for third parties to
23 develop on it. Great ideas and experiences and
24 innovation came from everywhere, yes.

25 **Q But Kik decided what went in the Kik app?**

Page 148

1 A There was a clear set -- it wasn't
2 subjective, if that's what you're suggesting. It was
3 very -- there was a clear set of, like, guidelines and
4 rules and quality assurance they would have to go in
5 that developers were well aware of, just to meet the
6 standard of users.

7 **Q Can I have you look at -- there's a
8 description of the app.**

9 MR. SCHLEGELMILCH: Just one last question
10 on that to follow up. And those criteria, those
11 criteria were set by Kik, correct?

12 THE WITNESS: You'd have to talk to
13 somebody inside of --

14 MR. SCHLEGELMILCH: I'm only asking for
15 your understanding.

16 THE WITNESS: My understanding is that
17 Kik -- Kik certainly communicated that to the developer
18 community. What went into putting those guidelines
19 together is not -- I would not be able to answer that
20 question.

21 MR. SCHLEGELMILCH: Okay.

22 BY MR. MITCHELL:

23 **Q Could you look at the page that's Kik 9.
24 This is a description of Kik in the Kik app.
25 Do you see these paragraphs here?**

Page 149

1 A Uh-huh. Yes.

2 **Q The second paragraph has -- discusses sort
3 of monthly active users. And the third paragraph has
4 the number of messages sent on the peak of day.**

5 **Why is this information on this page?**

6 **Why was this in the white paper?**

7 A So per the headline, you are building a
8 digital economy inside of Kik. So it demonstrates that
9 for an economy to exist, you have to have people to
10 participate in it, and you had users. You have to have
11 an ecosystem of people contributing to it. So you had
12 Kik building features. You had the bot platform that
13 had bots created by all sorts of third-party
14 developers. So it was about our ability to grow an
15 audience and maintain an ecosystem.

16 **Q And then, can you go to Kik 21. So the
17 first -- do you see where it says "Kin token issuance"?**

18 A I do.

19 **Q And then it says -- the text in there, it
20 says, "In order to finance the Kin road map, Kik will
21 conduct a token distribution event that will offer for
22 sale one trillion units out of a ten trillion unit
23 total supply of Kik. The proceeds of the token
24 distribution event will be used to fund Kik operations
25 and to deploy the Kin Foundation. And a portion of the**

Page 150

1 funds raised in the token distribution will be used to
2 execute upon the road map of additional future
3 development plan for the Kin integration into Kik."

4 Do you see where I read that?

5 A I do.

6 Q Okay. So I guess why -- why is this -- why
7 is this something that was in the white paper?

8 A So it was in the white paper because it
9 talks about the actual allocation of Kin and what the
10 Kin will be used for. But beyond that, this is not
11 my -- this is not something that I'm able to really
12 talk in detail about, because it's -- it wasn't in my
13 scope. I mean, this is -- this is a finance -- this is
14 the economic model for Kin.

15 Q This -- I mean, this tells readers that Kik
16 would sell a trillion Kin.

17 A Correct.

18 Q And was that true when you issued the white
19 paper?

20 A The -- yes. That would -- yes.

21 Q Okay. And did Kik sell a trillion Kin?

22 A I don't know the exact details of what was
23 sold. I know that the intention was to sell a trillion
24 Kin. I also know that we didn't meet sort of the final
25 piece of that. So -- almost a trillion Kin. But,

Page 151

1 again, these are questions for the finance
2 organization.

3 Q Was there any point after the white paper
4 was issued that Kik decided to sell less than a
5 trillion Kin, and then wait and see what happens?

6 A Not to my recollection.

7 Q Was there ever a time when Kik decided to
8 just sell to accredited investors?

9 A Not to my recollection.

10 Q The second part of that paragraph -- in the
11 second part of that paragraph, Kik tell readers that it
12 would sell the tokens in order to finance the Kin road
13 map, first part.

14 A It says, "A portion of the funds raised in
15 the token distribution will be used to execute upon the
16 road map for future development plans for Kin
17 integration into KIK." Is that what you're referring
18 to?

19 Q Yes. And also, the first where it says,
20 "In order to finance the Kin road map, Kik will conduct
21 a token distribution event." So in the sections that
22 you're next reading, was that true, was that the plan
23 at the time that the Kik -- white paper was -- that Kin
24 white paper was published?

25 A Once we finished the white paper, that we

Page 152

1 would hold a token distribution event in order to fund
2 the project, yes.

3 Q I apologize. My question has gone
4 circular.

5 Was it true that when the Kik -- when the
6 Kin white paper was published, that Kik intended to
7 conduct the token distribution event in order to
8 finance the Kin road map?

9 A As a piece of the project, per this
10 section, I would answer yes. Yes. Part of the token
11 distribution event is funding the Kin project. Part of
12 the Kin project is making Kin the primary currency
13 inside of Kik and creating an ecosystem to fuel the
14 transactions of Kin in order to kick-start the
15 ecosystem.

16 Q We discussed earlier that the token plan
17 was announced at an event in New York City.

18 A Yes.

19 Q Did you go?

20 A I did not go to the physical event.

21 Q All right. Did you listen to it online or
22 did you --

23 A I watched pieces of it online, certainly.
24 I was very busy that morning.

25 Q Did you hear the Mr. Livingston -- so you

Page 153

1 said you heard parts of his conversation from that?

2 A Yes, of course.

3 Q Kik published the white paper the same day?

4 A Yes. To the best of my -- yes.

5 Q On or about that day?

6 A Uh-huh.

7 Q And did Kik also put a video on YouTube?

8 A The video lived on the site, and the site
9 went to YouTube, yes.

10 Q Okay. And so what -- tell me about the --
11 tell me about the video. Why video?

12 A Creating a video was also increasingly a
13 standard in the blockchain projects to help explain it.
14 So you have a white paper, which is very in depth,
15 provides a ton of detail. And the purpose of the video
16 is to provide a little bit more of a high level
17 overview, potentially get people outside of the company
18 to talk about the project. And, again, in the spirit
19 of transparency and openness, to get people who don't
20 know people behind the project a chance to, like,
21 physically see the people behind the project, that
22 they're real people. That's the purpose behind it.

23 Q And who decided what went in the video?

24 A I mean, I -- I mean, I -- my team -- so
25 ultimately, I did. But my team, with Ted's guidance,

Page 154

1 talked about what we wanted it to articulate a vision.
 2 We wanted it to showcase other people who worked on the
 3 project. And we wanted it to be brief enough that
 4 people would watch it in its entirety so they could
 5 hear the abstract of what we want and download white
 6 paper and read more.

7 **Q Did Mr. Livingston see it before it was**
 8 **published?**

9 A Yes.

10 **Q And did he ask you to make any changes to**
 11 **it?**

12 A I don't recall. But I bet we did several
 13 revisions. But not a ton. We didn't -- yeah.
 14 Actually, I don't recall.

15 **Q So how do you -- how did you think the**
 16 **initial announcement went?**

17 A I was pleased with the announcement. I
 18 thought that they did a good job of articulating the
 19 vision in the way that we had hoped. It had some
 20 strong encouraging feedback, along with some fair,
 21 like, concerns and criticisms that you were able to --
 22 that you could learn from. But I was pleased.

23 **Q And was the audience for the initial**
 24 **announcement an investor community?**

25 A More of a crypto enthusiast. I can't

Page 156

1 **one-page document, Kik_00021417.**

2 **(SEC Exhibit No. 84 was marked for**
 3 **identification.)**

4 BY MR. MITCHELL:

5 **Q Like always, my first question is going to**
 6 **be: Do you recognize the document?**

7 A Sure. I recognize the document.

8 **Q What is it?**

9 A An e-mail from me to Ted Livingston on
 10 April 6th.

11 **Q And in that e-mail, did you say to him that**
 12 **the primary audience for the initial announcement**
 13 **really is an investor community?**

14 A It is what it says in the e-mail, yes. But
 15 I can provide some context.

16 **Q Sure.**

17 A A lot of what I did, particularly in the
 18 weeks leading up to the event, was try to keep Ted
 19 focused on the task at hand. And the task at hand was
 20 getting ready for the Token Summit. So that is -- that
 21 was likely the context of this e-mail when he had
 22 suggested that maybe we just go to TechCrunch, which is
 23 potentially a place where more headlines would hit.
 24 But we really wanted to speak to people who understand
 25 the nuances of crypto. So that was the context.

Page 155

1 remember the name of the conference, but it basically
 2 had become sort of a gathering of people who were
 3 really interested in the continuation of building on
 4 the blockchain. So I would not characterize it as an
 5 investor conference.

6 **Q No. I'm sorry. Not the conference itself.**
 7 **I meant, was the audience for the announcement an**
 8 **investor community?**

9 A This was announced at this conference of
 10 crypto enthusiasts. So I would say the audience was
 11 crypto enthusiasts. Secondarily, the industry. So
 12 people -- sort of the industry, what I mean by that is
 13 the technology industry, blockchain industry, digital
 14 service industry, like anyone -- so the TechCrunches
 15 and things of the world. And then, like, people who
 16 were investing in cryptocurrencies who might be
 17 interested in being part of the token distribution
 18 event.

19 **Q You're talking about the --**

20 A In that order.

21 **Q You're talking about the physical event?**

22 A I'm talking about most of what we did.

23 **Q Most of what you did?**

24 A Yeah.

25 **Q Okay. So let me just mark 84. It's a**

Page 157

1 **Q But that was the context when you told him**
 2 **that the primary audience for the initial --**

3 A No. The entire context of this e-mail was
 4 to keep him focused. Whatever I said in there was to
 5 keep him focused about -- that we would be making this
 6 announcement at the Token Summit.

7 **Q Sorry. Was the Token Summit -- I guess**
 8 **what -- I don't understand what you're saying.**

9 **What do you mean?**

10 A I'm saying that the Token Summit is the
 11 gathering of crypto enthusiasts, whether they are
 12 people who believe in it, people who want to see the
 13 further -- the element on top of it, and people who
 14 invest in cryptocurrencies. That is where we had
 15 decided was the best place to launch it when Ted a
 16 month prior thought maybe we should go somewhere
 17 different. The likely rationale for that, in fairness,
 18 was that it would probably garner more mainstream
 19 headlines.

20 And anything I said in this e-mail was
 21 trying to get him focused on the fact that releasing
 22 this to people who understood blockchain and crypto was
 23 the most important thing. So -- and the line here that
 24 you're pointing out, the primary audience for the
 25 initial announcement really was an investor community,

Page 158

1 was just another way for me to keep him focused, yes.

2 **Q Why would that keep him focused?**

3 A Because part -- again, going back to the
4 premise of this. We needed to be in front of people
5 who understood this base, who could help validate the
6 project by being excited about it, who would
7 participate in the ecosystem and who would help fund
8 the project. All three of those things.

9 **Q Okay. After the -- after the announcement,**
10 **was there a road show?**

11 A Yes.

12 **Q Tell me about that.**

13 A I actually really wasn't -- I wasn't a
14 driver of that. So I wouldn't be able to tell you much
15 about it.

16 **Q Did you -- did you go to road show events?**

17 A No.

18 **Q Okay. I'm going to show you just real**
19 **quickly a document -- just ask if you know what it is.**

20 A Sure.

21 (SEC Exhibit No. 85 was marked for
22 identification.)

23 BY MR. MITCHELL:

24 **Q What the reporter has marked an Exhibit 85**
25 **is KIK_00044492 to 44521. On its -- because it says**

Page 160

1 **Q Sure.**

2 A Sure. Yes. They would -- that is yes.

3 **Q Did any of them do that in your office?**

4 A Yes. I actually don't remember any
5 details.

6 **Q But do you remember people -- Kik people**
7 **meeting with potential buyers in your office, in the**
8 **New York office?**

9 A Only in one case, which was the week of the
10 Token Summit, when everybody gathers in New York City.
11 I remember a meeting or two that happened.

12 **Q Who were the people outside of Kik?**

13 A I wouldn't -- honestly, I wouldn't be able
14 to -- I wasn't -- again, I wasn't leading road show. I
15 really wasn't a participant in that. I wouldn't be
16 able to answer that question.

17 **Q Did you meet with folks from Betaworks?**

18 A I did meet with folks from Betaworks,
19 that's not happened in the Kik office.

20 **Q Well, I'm sorry. Moving on.**

21 A I did.

22 **Q Did you ever talk with people from**
23 **Betaworks?**

24 A I did.

25 **Q Did you talk -- did you -- did you discuss**

Page 159

1 **Kin, the first mainstream with the option of**
2 **cryptocurrency, June of 2017.**

3 A Yep.

4 **Q Can you just flip there -- do you recognize**
5 **this document?**

6 A Yes.

7 **Q What is this?**

8 A It's a presentation version of the Kin
9 project vision.

10 **Q Do you know who this presentation was given**
11 **to or how this document was used?**

12 A I -- you know, I don't recall specifically.

13 **Q Was it -- do you know if it was used as**
14 **part of the road show?**

15 A Possible.

16 **Q Did people from Kik reach out to potential**
17 **investors, to people who might buy -- might be**
18 **interested in buying Kin tokens?**

19 A I did not personally do those things, but
20 yes. I would assume that is accurate.

21 **Q Okay. Did -- I'll start with other people.**
22 **Did people other than you meet with people who might be**
23 **interested in buying the Kin tokens?**

24 A The people who would participate in the
25 token event?

Page 161

1 **with them the presales opportunity?**

2 A We talked about the project, and we talked
3 about the fact that -- yes.

4 **Q You talked about the fact that there was an**
5 **opportunity for someone like them so purchase in a**
6 **presales opportunity?**

7 A Yes. I don't recall if I actually
8 presented that piece of it. To be honest, I wasn't
9 part of, like, that piece. But, yes, I presented some
10 of this.

11 **Q Sure. And do you -- where do you -- where**
12 **did you meet with them?**

13 A Betaworks.

14 **Q At their office?**

15 A Yes.

16 **Q Where is that?**

17 A Down by my current office in the
18 Meatpacking District.

19 **Q In Manhattan?**

20 A Yes.

21 **Q Do you know what a SAFT is, S-A-F-T, all**
22 **capitalized?**

23 A I know of the term. I could not possibly
24 explain it to you.

25 **Q Right. So just what is -- just what's your**

Page 162

1 **understanding?**

2 A I don't even -- I know it has something to
3 do with being able to -- I don't -- I don't know. It's
4 outside of my area of expertise. It's part of the
5 process.

6 **Q What did you discuss with Betaworks?**

7 A So Betaworks was interesting for the Kin
8 project because they were an incubator for small
9 digital services companies. So the person who ran that
10 partnership, I -- because I was the only person in New
11 York, asked me to come deliver this. And the -- and
12 what was interesting to us about Betaworks is that they
13 would potentially think about becoming developers and
14 part of the ecosystem of Kin.

15 And because they're an incubator, if they
16 wanted to participate in the event, they could. But
17 what's really interesting to us about that, whether
18 they invested or not, was that they might want to help
19 develop experiences that would use Kin as part of that.

20 **Q And you discussed that idea with Betaworks
21 people?**

22 A We did.

23 **Q And did you also discuss with them the
24 opportunity to purchase -- to purchase Kin tokens?**

25 A We shared with them the framer and model

Page 164

1 was -- to the best of my recollection is what -- yes.

2 **Q So how did Kik decide when to sell Kin
3 tokens to the public beyond the accredited investors?**

4 A I mean, I think it was less deciding when
5 and making sure, to the best of our ability, everything
6 was in place and done correctly, and that we understood
7 all of the, you know, things that were right to do,
8 things that would not be right. Like, again, like I
9 kept saying, it was a constant learning environment.
10 As we all know here, there's a ton of gray area. And
11 trying to work on the best side of that with the best
12 information that was available to the company is really
13 what determined the timeline.

14 **Q Well, what needed to be done before there
15 could be a sale?**

16 A I mean, I can't speak to any of the pieces
17 of, like, the product. There was product pieces, and
18 technology pieces, compliance pieces. Understanding as
19 the rules were constantly changing, and what, like, the
20 right way to run a token event would be, how to make
21 sure it was secure. I mean, there was tons of things.
22 Most of which I really didn't touch. It's past my
23 skill set in terms of, like, technology, finance,
24 things like that.

25 **Q What was the product piece?**

Page 163

1 and timeline. And then, once they -- if they were
2 interested, that we would connect them with the people
3 who actually -- we gave them enough information if they
4 wanted to follow up.

5 **Q And did you connect them with other people
6 at Kik?**

7 A I specifically did not. But, yes, they
8 were connected with other people at Kik.

9 **Q To discuss the potential purchase?**

10 A To the people who were running the -- that
11 piece of it, yes.

12 **Q The purchase piece of it?**

13 A Sure.

14 **Q So at some point over the summer of 2017,
15 did Kik raise money from accredited investors?**

16 A Yes.

17 **Q Okay. What was your role in that?**

18 A Minimal, if at all.

19 **Q Okay.**

20 A Except as the project manager.

21 **Q Project manager for what?**

22 A The project. I mean, so if it fell into --

23 **Q For the whole project?**

24 A If it fell into the meetings we had in the
25 agenda, and somebody gave me the agenda item, like that

Page 165

1 A You'd have to talk to product. But
2 everything that's to deliver, again, just making sure
3 that there was the products -- you'd have to talk to
4 product about that.

5 **Q Did you have any role in making sure the
6 product was ready?**

7 A I'm not a product person, so no.

8 **Q Did you do any market research on any
9 products or potential products?**

10 A Early on -- yeah. Early in the project, we
11 engaged with a firm that helped us understand what
12 would be interesting to sort of the design target for,
13 like, the Kik user base. And then how -- you know,
14 again part of it was the -- how does a mainstream
15 consumer start adopting a cryptocurrency, because it's
16 still not very common. So we did some research on
17 that. We worked with a firm that I brought in. But
18 most of that was run by our head of product. Because,
19 again, it's not...

20 **Q Who did you bring in?**

21 A Sylvain Labs. Sylvain Labs --

22 **Q Sylvain Labs?**

23 A -- was a third party. They're a brand
24 strategy agency.

25 **Q Sorry. They did research on what would be**

1 **attractive to the Kik user base?**

2 A Yeah. They did some -- so they had done
3 some of the -- when I talked earlier about the brand
4 strategy works, they had done a lot of quant and
5 quality segmentation work for the Kik user base. So we
6 just sort of piggybacked on that a bit, and used both,
7 again, qualitative focus group type conversations, as
8 well as the Kik app itself, to try to get more
9 information about what types of experiences would be
10 valuable to the space.

11 And then they worked on the understanding
12 of -- like, as a consumer, you think of a wallet in one
13 way -- how might that translate into sort of this new
14 digital world. So figuring out how to design the
15 wallet feature were two things that they were hired to
16 do.

17 **Q What's Kik's user base?**

18 A Kik's user base is sort of -- you know, we
19 refer to them as sort of -- originally, it was teens,
20 but they sort of had grown out of that. So they were
21 people who sort of were born into Kik when they were
22 much younger. So the Kik user base was sort of teens
23 and millennials, people who wanted to make friends,
24 interact with others without judgment. That's sort of,
25 like, the way...

1 **Q And I apologize. I'm never exact with
2 this. What's the age of a millennial now?**

3 A Like 18 to 34. Maybe even up to 40 now.
4 I'm not sure. Sorry. None of us -- none of us here
5 are millennials. We are whatever is next, yeah.

6 **Q And then -- so just they -- Sylvain Labs
7 helped with designing a wallet?**

8 A No. They concepted stuff. They didn't
9 design anything for Kik specifically.

10 **Q What did they concept?**

11 A So a brand strategy firm who's leveraging
12 audience insights will deliver those insights. So they
13 delivered examples of things that -- examples of where,
14 you know, our core user base was already spending their
15 time, or things in Kik that they liked.

16 And on the wallet side, they delivered,
17 like, a handful of concepts, so ways to sort of
18 re-imagine a wallet experience inside of a messenger
19 app. But, again, it was more for inspiration and not
20 for, like, application. It's not the job of a brand
21 strategy agency.

22 **Q And what -- so in the end, what was their
23 advice? What was their sort of report back?**

24 A It was delivered to product. So, you know,
25 again, like you probably -- that would probably be a

1 better, like, focus area for product.

2 **Q Who was -- who were the important people in
3 product at that time.**

4 A Eran Ben-Ari was running product at the
5 time.

6 **Q So were you involved?**

7 A Sure. I mean, I saw the work. But I
8 wasn't -- I wasn't -- it wasn't my focus point, but I
9 certainly saw the work.

10 **Q What do you remember of the work, what they
11 said?**

12 A I don't remember what they said. I know
13 that they delivered a set of sort, like, where
14 people -- like, what types of experiences people might
15 be interested in. And they delivered sort of three
16 different types of ways to imagine the wallet. But I
17 don't remember the specifics without looking at them.

18 MR. LEASURE: In terms of the experiences
19 that people might be interested in, what were they?

20 THE WITNESS: I'd have to go back and look
21 at the materials. I have to look at them. I mean,
22 you're talking, like, over a year ago. But to the best
23 of my recollection, it was, you know, access to
24 exclusive content, peer to peer, like being able to --
25 I could build you a cool sticker pack, and then, you

1 know, you could, like, use Kin to get it from me. And
2 then you could build something that I might start
3 using. Sort of like an SC marketplace type of thing.
4 But I would have to go back in for details.

5 MR. LEASURE: And, again, this was user
6 experiences that would be interesting for the Kik
7 messaging app user base to employ Kin?

8 THE WITNESS: Yeah. Where there was value,
9 right?

10 MR. LEASURE: Did they give you -- let me
11 ask that a better way. Did they deliver a document?

12 THE WITNESS: I would assume so, yes.

13 MR. LEASURE: Like slides?

14 THE WITNESS: They're very good at slides.
15 Usually in the form of PDF.

16 MR. LEASURE: Got it.

17 BY MR. MITCHELL:

18 **Q Did -- I'll mispronounce it.**

19 A Sylvain.

20 **Q Sylvain. Did Sylvain do research looking
21 to sort of understand the desires of people who were --
22 people who might buy Kin tokens?**

23 A No, that was not their scope.

24 **Q Was there discussion inside Kik that Kik
25 could sell Kin tokens once it had developed in MVP?**

Page 170

1 A Sorry. I don't -- can you repeat the
2 question?

3 **Q Was there any discussion inside Kik that**
4 **Kik could sell Kin tokens after it had developed in**
5 **MVP?**

6 A I think I'm not sure what you mean by sell
7 Kin tokens.

8 **Q Sorry.**
9 MR. SCHLEGELMILCH: That the token event
10 could occur after the development of an MVP.

11 THE WITNESS: I still don't understand the
12 context of the question. I'm sorry.

13 BY MR. MITCHELL:

14 **Q The token distribution event, was that the**
15 **event where Kik sold tokens to the general public?**

16 A Yes.

17 **Q Was there -- sorry. Do you know what an**
18 **MV- -- we discussed MVP.**

19 A Yes. Yes.

20 **Q Was there discussion inside Kik that the**
21 **company could sell -- needed to have an MVP in place**
22 **before it sold tokens to the public?**

23 A We wanted -- yes.

24 **Q Okay. Tell me about that.**
25 **What was that discussion?**

Page 171

1 A I don't recall specific discussion. But my
2 recollection is that it was always that you wanted
3 something for those. Like we needed an experience
4 inside of Kik that Kin could be used in.

5 **Q Why?**

6 A Because once people had Kin, what else
7 would they do with it? So, I mean, I think it was sort
8 of the start of the ecosystem. And, again, like going
9 back to what we said, there was -- we're also -- like
10 in the spirit of getting all this information, you
11 know, that seemed to be something that was important.

12 **Q Why?**

13 A I don't -- again, I don't know. It's the
14 same reason that we -- because we wanted to make sure
15 that there was something useful for Kin in the product
16 before the token event.

17 **Q And what I'm trying to understand is: Why**
18 **did you want there to be that thing before the Kin**
19 **token distribution?**

20 A Once people held the token, if they had
21 nothing do with the token, that would be bad. That
22 would be a bad user experience. In addition to that,
23 we got tons of information from people from the various
24 people that we worked with about the ever changing
25 rules of having a token event.

Page 172

1 **Q What do you mean the ever changing rules?**
2 A That not only did we want to have a use for
3 it, but having a use for it was better given the lack
4 of, like -- in the gray area, like that's what it
5 should be.

6 **Q Feel free to jump into this. Who said**
7 **that?**

8 A Oh, I don't -- I mean, I don't know who
9 said that.

10 **Q Who did you discuss it with?**

11 A I didn't discuss it because I'm not on the
12 product side.

13 **Q Okay. So where -- I don't understand.**
14 **Where did you hear that?**

15 A I don't -- actually, I don't recall. I
16 couldn't -- I really just couldn't say with accuracy,
17 like, where that conversation happens.

18 MR. MURTHA: You used the phrase "gray
19 area" a handful of times. What do you mean by that?

20 THE WITNESS: There's a lot of questions
21 that didn't have black and white answers when it came
22 to cryptocurrencies, or when it came to the use of the
23 blockchain, or when it came to the rules around
24 investing in those currencies, or the use of those
25 currencies, or the -- how those currencies need to be

Page 173

1 stored or whatever. Again, it was -- I mean, it was a
2 really -- I know the least about it and it was gray
3 area. So, you know, as -- you know, in all the due
4 diligence, the more information it got, you know, it
5 helped inform decisions.

6 MR. SCHLEGELMILCH: So I think I've
7 asked -- maybe I've asked this question earlier in
8 maybe a different way. You talked about wanting to
9 have a user experience with the Kin, like wanting to
10 have the users of the Kin to have something to buy with
11 it?

12 THE WITNESS: Right.

13 MR. SCHLEGELMILCH: At the moment you left
14 the company, what -- do you have any understanding of
15 what they could buy with the Kin?

16 THE WITNESS: Again, I didn't -- I don't
17 own Kin, so I have never used any products. So I
18 don't -- my understanding is that it was exchanged for
19 a series of sticker packs, very similar to the utility
20 of Kik points back when we were actually using that as
21 a product monetizing.

22 MR. SCHLEGELMILCH: Other than the sticker
23 packs, is there -- are you -- I'm only asking about
24 what you're aware of. Are you aware of anything other
25 than the sticker packs?

Page 174

1 THE WITNESS: I'm not aware, no.

2 MR. SCHLEGELMILCH: Today, do you know
3 whether you can purchase anything with Kin?

4 THE WITNESS: I do not know.

5 MR. SCHLEGELMILCH: Did the -- we talked a
6 bunch of times today about the Kin ecosystem. Did the
7 Kin ecosystem exist when you left the company?

8 THE WITNESS: So I think you have to define
9 ecosystem. So for me, an ecosystem is users,
10 developers, third parties. That is how I would define
11 ecosystem. So in that definition, yes.

12 MR. SCHLEGELMILCH: So users, developers
13 who would use Kin in their -- in whatever they're
14 developing.

15 THE WITNESS: Developers who created bots
16 or experiences.

17 MR. SCHLEGELMILCH: That all ran on Kin?

18 THE WITNESS: That all ran on Kin?

19 MR. SCHLEGELMILCH: Well, here's what I'm
20 trying to talk about. We talked about the Kin
21 ecosystem. Maybe this is the way I sort of
22 conceptualized it. Like developers who are developing
23 things that can run on Kin.

24 THE WITNESS: Yeah. But developers and
25 creators are also the people who created the unique

Page 176

1 those sticker packs. I can generally tell you that we
2 would often -- or the people in product, we often --
3 like our peer third parties, in order to create
4 content, create experience, whatever, to augment the
5 researchers that you had at Kik, that's a very common
6 practice.

7 **Q So the -- sorry. Was the MVP for the Kin
8 token, that was the access to the sticker packs?**

9 A To the best of my knowledge, having never
10 utilized the product.

11 **Q And did you think it was -- that it met the
12 qualifications of an MVP?**

13 A What do you mean by "qualifications"?

14 **Q Was it --**

15 A Was it a minimal viable product?

16 **Q Yes.**

17 A It depends how you define the minimal
18 viable product. So for me, like I said, we all used
19 MVPs all day long, you just don't even know it. So in
20 that -- in my understanding, then yes, it did. It
21 had -- it was sort of the kickstart of an evolution of
22 our product. It had the usefulness. You could do
23 something on it immediately. It had a set of features,
24 and that they would develop more features on it, like
25 that's sort of how I would think about an MVP. So

Page 175

1 sticker packs or the emojis. Like, those are creators
2 and developers, the same way as an actual feature.

3 MR. SCHLEGELMILCH: I think what I'm asking
4 is something a little bit more basic than that. It's
5 probably a failure in my question. I'm just trying to
6 figure out what existed -- what did you understand
7 existed at the moment you left the company, like what
8 developers were developing things that ran on Kin.
9 What could you do with Kin at the moment you left the
10 company? Now, we heard about sticker packs. What
11 else, if anything, are you aware of?

12 THE WITNESS: It was mostly the sort of,
13 like, uniquely created exclusive sticker packs. And it
14 was a series of different creators and developers, to
15 my understanding. And, again, you'd have to talk to
16 people who created those things.

17 MR. SCHLEGELMILCH: Okay. And were those
18 creators and developers internal or external to Kik?

19 THE WITNESS: External.

20 MR. SCHLEGELMILCH: Okay.

21 BY MR. MITCHELL:

22 **Q The people who created them, did they
23 create them on their own or did they create them for
24 Kik?**

25 A So I can't answer the specific question for

Page 177

1 these are probably questions best suited, though, for
2 the people who actually create products.

3 **Q Why?**

4 A Because they create the products, so I
5 can't possibly understand their motivations or their
6 definitions or their understandings or what was on the
7 road map.

8 **Q They would be the best people to do that --
9 to tell us that?**

10 A Anyone who developed the experience,
11 certainly.

12 MR. MURTHA: You're the head of marketing
13 for Kik, right?

14 THE WITNESS: Not anymore, but yes.

15 MR. MURTHA: You were the head of
16 marketing?

17 THE WITNESS: I was.

18 MR. MURTHA: Was it part of your job to
19 understand what consumers of Kik are looking for?

20 THE WITNESS: I contracted out Sylvain to
21 help provide a set of research. And, again, if you
22 recall the timeline, it was in June, about the same
23 time I notified Ted of my intent to leave the company.
24 So I was doing everything that I could to, you know,
25 fulfill my responsibilities or whatnot. But was I,

Page 178

1 like, invested in every piece of it and diving in and
 2 attending meetings that weren't part of my core role?
 3 You know, will it make me seem like not a great
 4 employee? The answer is no. I'm not proud of it, but
 5 that's the -- that's reality the for me. Sorry.

6 MR. MURTHA: Had you already decided where
 7 you were going to go next?

8 THE WITNESS: No. No.

9 BY MR. MITCHELL:

10 **Q When was the sort of plan for when the MVP**
 11 **for the Kin project would be?**

12 A Sorry. When?

13 **Q When was that -- yeah. When was that set?**

14 A I don't recall in the timeline. I think I
 15 was -- any type of product feature, there was lots of
 16 iterations. So it might have been set in February and
 17 then evolved 25 times before September.

18 **Q Do you remember anything about the**
 19 **evolution of this MVP?**

20 A I don't.

21 **Q Was there ever a point at which you heard**
 22 **people inside Kik discussed waiting on selling Kin**
 23 **tokens until the Kin ecosystem was fully up and**
 24 **running?**

25 A I don't recall. It's certainly possible.

Page 180

1 **token -- for the Kin token? Were the stickers**
 2 **mentioned?**

3 A Maybe towards the end, but I don't recall.
 4 Like maybe not in the marketing materials, no.

5 MR. MURTHA: Press releases?

6 THE WITNESS: No. But it could have been,
 7 like, answered as a question from the community. Like
 8 we weren't going to -- you're transparent about it, but
 9 it's not that you'd market it the same way. Like when
 10 a company launches a beta product, they don't announce
 11 it to the world. It's to participants who were going
 12 to use it.

13 BY MR. MITCHELL:

14 **Q So in the marketing of the -- in advance of**
 15 **the Kin token distribution of it, did Kik tell people**
 16 **that if you buy Kin, then you'll get -- you'll get**
 17 **access to these stickers?**

18 A Not to my recollection, no.

19 **Q Why not?**

20 A It's not the purpose of a white paper, the
 21 same way that the purpose of a business plan isn't
 22 about talking about sort of the first iteration. The
 23 purpose of the white paper is to paint the picture.
 24 You know, I think that the best intentions -- and,
 25 again, I don't -- I know only from media headlines that

Page 179

1 **Q And the MVP that was the access to**
 2 **stickers, was that selected because Kik thought it**
 3 **could at tract people to buy the Kin tokens?**

4 A That was not -- those things, no. It
 5 wasn't about purchasing tokens, no.

6 **Q What was it about?**

7 A It was about giving a first user experience
 8 of the token to learn from to build on the next series
 9 of experiences.

10 MR. MURTHA: Did Kik ever tell potential
 11 buyers that access to sticker packs was going to be the
 12 MVP of the Kin offering?

13 THE WITNESS: I don't really -- I don't
 14 know, actually.

15 MR. MURTHA: Was it in the white paper?

16 THE WITNESS: No, it was not in the white
 17 paper.

18 MR. MURTHA: Ever hear of anyone telling
 19 potential purchasers that sticker packs, which was
 20 going to be the initial product, that they would have
 21 access to it?

22 THE WITNESS: Again, I wasn't part of those
 23 conversations. So not directly, no.

24 BY MR. MITCHELL:

25 **Q What about in any of the marketing for the**

Page 181

1 they have signed a series of partners in the gaming
 2 industry and whatever. So a lot of the vision is going
 3 to come to life through third parties. But that was --
 4 that is -- that was always the plan. How quickly you
 5 can get to that plan is unpredictable. So I think that
 6 the purpose of the white paper is to be transparent
 7 about where we want it to go, how we hopefully would
 8 get there, and to start testing and iterating inside of
 9 Kik. So that at the time you were able to build out
 10 the ecosystem outside of Kik, that we had learnings to
 11 share. So that's --

12 MR. MURTHA: Was your question limited to
 13 just the white paper or to market generally?

14 MR. MITCHELL: I mean, in generally.

15 Sorry. Not even so.

16 BY MR. MITCHELL:

17 **Q Leaving aside the May white paper. Later**
 18 **on, by the time that the token event happened -- token**
 19 **event distribution event happened, Kik had prepared the**
 20 **stickers and so that -- and knew that people who got --**
 21 **who bought Kin tokens and connected their Kik --**

22 A They would have to use it, yeah. Yes.

23 **Q Kik knew that by the time of the sale -- of**
 24 **the token distribution event, right?**

25 A Yes.

Page 182

1 **Q Okay. So there was no question that that**
 2 **was -- they weren't still working on that, were they?**
 3 A I don't recall. I don't think so.
 4 **Q So I guess the question is: Why wasn't --**
 5 **why weren't the stickers mentioned in the marketing of**
 6 **that?**
 7 A So maybe we should talk about the marketing
 8 piece. So the marketing of this, again, it's -- this
 9 isn't -- we didn't have billboards, digital ads,
 10 banners, like that wasn't the type of marketing. It
 11 was educational. It was a, "We have this project we
 12 want you to be excited about it."
 13 And leading up to the token distribution
 14 event, it was -- and lot of people reading the white
 15 paper or the types of, you know, Medium posts, as you
 16 referenced before, were all about providing people
 17 enough information to get them to register, to get more
 18 information, and then to have the potential to
 19 participate in this token event. Once the registration
 20 closed, it was -- I can't remember the exact time
 21 frame, but pretty significant before the actual token
 22 event, because we wanted to make, like -- I can't
 23 remember the term. Know your customer, KYC.
 24 We wanted to make sure, because of all of
 25 the risks associated with this, that everybody was a

Page 183

1 real person. So we put anyone who wanted to
 2 participate through a pretty rigorous process. And so
 3 during that, it was really just more about being
 4 available to answer the questions of the community.
 5 And when there was additional information, such as the
 6 details of the token event, such as -- I can't remember
 7 if they actually released additional pieces, the
 8 technical pieces. I think maybe one.
 9 But that's really -- that was the
 10 marketing, right? Like it really wasn't -- it wasn't a
 11 traditional form of marketing, I guess.
 12 MR. MURTHA: Why not market stickers to get
 13 people excited about the token distribution event?
 14 THE WITNESS: I don't think that that's --
 15 I think that people are excited about the project, with
 16 the stickers being sort of an early phase one beta to
 17 build into all of these other stuff. It was sort of
 18 the first use case, and then there's tons of use cases.
 19 BY MR. MITCHELL:
 20 **Q So did you mention the first use case in**
 21 **the marketing ahead of the sale?**
 22 A I don't recall, but I don't believe so.
 23 And I don't think it's relevant.
 24 **Q Why is it not relevant?**
 25 A Because this is what people are excited

Page 184

1 about.
 2 **Q You're --**
 3 A The white paper. Sorry. I'm talking about
 4 the white paper. It just -- it didn't seem relevant at
 5 the time. Although towards the end, once the
 6 registrations were to happen, I don't recall. But if I
 7 were to dig back in, I'm sure there is a communication
 8 about how people would be able to use Kin inside of Kik
 9 once the token event was completed. But I don't -- I
 10 don't -- I wouldn't -- I don't know where or how that
 11 happened.
 12 **Q So tell me what you remember about it.**
 13 A I don't.
 14 **Q You don't remember?**
 15 A No.
 16 **Q Was it in any of the press releases?**
 17 A I'm sorry. I would have to go back. I
 18 don't know.
 19 **Q You mentioned the Medium posts. Did the**
 20 **CEO of the company --**
 21 MR. MITCHELL: All right. We'll go off the
 22 records at 2:33.
 23 (A brief recess was taken.)
 24 MR. MITCHELL: We're back on the record at
 25 2:44.

Page 185

1 BY MR. MITCHELL:
 2 **Q During the break, did you have any**
 3 **substantive conversations with the staff about the**
 4 **case?**
 5 A No.
 6 **Q Do you know what -- have you ever heard the**
 7 **term "Kin reward engine"?**
 8 A Yes.
 9 **Q What is it?**
 10 A It is part of the project.
 11 **Q In what way?**
 12 A The Kin reward engine would basically be
 13 sort of the fair and open decentralized transparent
 14 algorithmic distribution of Kin, rewarding --
 15 distributing Kin as a reward to various participants in
 16 the ecosystem based on the types of experiences that
 17 they have and the types of engagement they got from the
 18 people who used it.
 19 **Q And was this an important part of the**
 20 **overall plan?**
 21 A Yes.
 22 **Q Why?**
 23 A Because it explained what would happen to
 24 the tokens, basically how would you actually fuel the
 25 ecosystem. I mean, it was -- it was like the linchpin

Page 186

1 to that piece of it, as far as I understand.

2 **Q While you were at Kik, did people draft up**
3 **a document to sort of explain how the Kin reward engine**
4 **would work?**

5 A Yes.

6 **Q And was that released to the public?**

7 A I don't think that it was released to the
8 public during my tenure. It was certainly part of the
9 plan, but it was not -- actually, I don't recall if it
10 was or not.

11 **Q Okay. Well, was there -- was there a point**
12 **where there was a decision to make, "Hey, we're not**
13 **going to release this now"?**

14 A I do recall, yes.

15 **Q Tell me what happened.**

16 A Again, it was not my area. But to the best
17 of my recollection, I know that they did draft it up.
18 They worked with a couple of different experts, so
19 people from, like, MIT and other econometricians. And
20 I think that it wasn't complete, and that they kept
21 poking holes in it, and wanting to revise it. And so I
22 think that, to my understanding, it wasn't complete.

23 MR. MURTHA: Sorry. Who's "they"?

24 THE WITNESS: Good question. They would
25 be -- they would be the core working team. So whether

Page 187

1 it was Ted, Peter, sort of everybody who worked on --
2 who was in that initial -- like, that core WIP group
3 that we talked about before, pieces of it. I wasn't a
4 big decision maker on that piece because I don't
5 understand the ins and out.

6 MR. MURTHA: Who was the ultimate decision
7 maker?

8 THE WITNESS: For that particular specific
9 document, I don't recall. But, you know, I think
10 likely a combination of Ted, Peter, you know, the
11 people who were, you know, most -- on the executive
12 team, like, most participated in that piece more so.

13 MR. SCHLEGELMILCH: So at the time you left
14 the company, was the Kik rewards or the Kin reward
15 engine, was it sort of up and running and working when
16 you left?

17 THE WITNESS: No. And that was never the
18 plan. I mean, it was pretty detailed in the white
19 paper, sort of the order in which these things would
20 happen. So no.

21 MR. SCHLEGELMILCH: Do you know whether it
22 is currently up and running?

23 THE WITNESS: I do not know that.

24 BY MR. MITCHELL:

25 **Q Okay. There was a document called the**

Page 188

1 **request for comments about the Kin rewards engine. Do**
2 **you remember that document?**

3 A Correct. I thought that's what we were
4 referring to.

5 **Q Who was in charge of that document?**

6 A You mean who authored it?

7 **Q Sure.**

8 A Again, I think it was a combination of
9 likely Jake, potentially Peter and on most of the
10 financing side, and the people who worked with Jake.
11 Maybe contributed by Coin Tree. And if it was going to
12 be released to the public, which it wasn't, but
13 potentially edited by people on my team at some point
14 for, like, readability.

15 **Q Were you part of drafting it?**

16 A Not as a subject matter expert, no, I do
17 not. Not that I recall.

18 MR. MITCHELL: I'm going to mark as 86 a
19 document.

20 (SEC Exhibit No. 86 was marked for
21 identification.)

22 BY MR. MITCHELL:

23 **Q 86 is a multi-page document, KIK_00126530**
24 **to 32. At the top, it says, "Kin Exclusive Stickers."**

25 **And my first question is going to be: Do**

Page 189

1 **you recognize this document?**

2 A I mean, not really. But yeah. I mean, I'm
3 sure -- yes. I understand the content of it.

4 **Q What is it? What do you understand the**
5 **content is?**

6 A Oh, it looks like a brief.

7 **Q That's funny, because at some point, it**
8 **says, "The target audience for which this brief is**
9 **relevant." I was going to ask what does that mean.**
10 **What's a brief?**

11 A Sorry. A brief is often what you would use
12 when you were going to work with third parties so they
13 had the amount of information they needed to do what
14 you wanted them to do. So in this case, it was -- I'd
15 have to read it in full, but my guess is it's -- well,
16 yeah, I think it's a brief to content creators to --
17 for the Kin stickers. I mean, that's -- to the best of
18 my recollection, I think that's what we're looking at
19 here.

20 **Q Sure. Do you know what that -- I'm sorry.**
21 **Are you sort of deducing what this is or do you have a**
22 **memory of this?**

23 A I'm deducing.

24 **Q Which I appreciate. I'm just trying to**
25 **make that clear.**

Page 190

1 A Yeah. Sorry.

2 **Q Okay. Sounds great. If this was a brief**
3 **about people to try to get -- to try and bring in**
4 **someone to do stickers, who would -- who would you --**
5 **if that's what it is, who at Kik would be the kind of**
6 **person who would have done -- who did that kind of**
7 **work?**

8 A I mean, a lot of people at Kik would write
9 briefs for third-party content. I think for this one,
10 it was likely someone who sat in the product group, or
11 potentially Phil, who worked with a lot of our external
12 content creators.

13 **Q Who's Phil?**

14 A I can't remember his last name, but it was
15 brought before.

16 **Q Phil Yang?**

17 A Yes. Thank you.

18 **Q Who is he?**

19 A I believe at the time he worked in a
20 product for Eran in the product organization. But
21 during his tenure, he worked also in the partner
22 organization at one point, and then product. Yeah.

23 **Q Okay. That's great. Do you remember a**
24 **discussion at Kik of any plans to -- anytime, when**
25 **there was a plan to actually distribute free Kin to Kik**

Page 191

1 **app users at the time of the token distribution event?**

2 A No.

3 **Q Writing and issuing press releases fell**
4 **into the groups that you oversaw?**

5 A Yes. Rod oversaw all of that.

6 **Q Okay. And were the press releases --**
7 **sorry. So who had to approve the text in a press**
8 **release?**

9 A So, like, all of the documents, they were
10 all on Google Docs. So people would comment on them.
11 And ultimately -- you know, Rod was the expert in that
12 area. I have been a marketing person for many years,
13 but I actually never run public relations. So I would
14 look at it for content. Ted would look at it for
15 content. And Rod would look at it for content. And if
16 the content was specific to technology or product or
17 subject matter, experts would also approve those
18 pieces.

19 **Q And in terms of the press releases for the**
20 **Kin token offering, did you write any of them?**

21 A I didn't -- I did not write them, but I
22 absolutely saw them before they went out, yes.

23 **Q The actual stickers that were -- the**
24 **premium stickers that were available to Kin token**
25 **owners after the sale, did you -- did you approve the**

Page 192

1 **designs?**

2 A No, not -- no, I did not. A lot of this
3 brief, though, is what I -- it informs all of the
4 audience pieces. Like this is my team -- like this is
5 sort of what would come out. Like these are things
6 that would interest our users. These are things that
7 we know based on usage that they care about, things
8 that are higher than -- that would be more of my role
9 in doing these things. And I'm looking at Exhibit 86.

10 **Q Thank you. So on the front end, you would**
11 **give --**

12 A Yeah. Right. I probably saw versions of
13 the stickers, but not...

14 **Q You probably saw versions of stickers?**

15 A Pieces here and there, yes. Yes.

16 **Q Okay. So I think you said the public sales**
17 **is September 2017. What were you doing -- by the time**
18 **of the public sale, what were you doing related to the**
19 **Kin project?**

20 A Transitioning, wrapping up. Honestly, I
21 mean, tying up loose ends, if there were some, I guess.

22 MR. SCHLEGELMILCH: Did you overlap with
23 any other -- with somebody that sort of assumed your
24 role or had been hired to assume your role?

25 THE WITNESS: No. I mean, I believe that

Page 193

1 they reached out to see if I would speak to an
2 individual who recently joined to assume the similar
3 role.

4 MR. SCHLEGELMILCH: When did that happen?

5 THE WITNESS: A couple of months ago. I
6 never -- I didn't connect with that person.

7 BY MR. MITCHELL:

8 **Q You didn't?**

9 A No.

10 MR. SCHLEGELMILCH: Do you know who assumed
11 the responsibilities that you held after you left?

12 THE WITNESS: You know, the company
13 changed, so I think that Rod stepped up and took on a
14 larger role of communications. There wasn't -- you
15 know, again, the role that I came to do at Kik really
16 didn't exist any longer by the time I left Kik. So if
17 you look at what I did at Spotify and what I'm doing
18 today, that role doesn't exist there. So -- but the
19 things that I sort of transitioned out of either went
20 to -- I mean, once the Kin project was over, they
21 invested heavily in the Israeli site.

22 So they hired a lot of people there. So a
23 lot of the stuff like the community and the developer
24 community is handled by that site. The -- Danny Fishel
25 during the -- like as this was all happening moved from

Page 194

1 Israel to United States, and he took on all of the
2 partner stuff, so working with third parties. Rod took
3 on sort of a larger scope as part of the executive
4 team, but reporting to Ted to do more things.

5 And those were -- I mean, those were sort
6 of the pieces. And I'm not really sure what happens
7 after that. But they're not -- you know, the company
8 isn't -- yeah, it's a different -- it's just a
9 different role, I guess, now. It all makes me sound
10 like a terrible employee. I know I'm not a terrible
11 employee.

12 BY MR. MITCHELL:

13 **Q Do you -- so at the time of the -- so as**
14 **part of the token distribution event, people had to**
15 **register. And then once the registration was done,**
16 **then there was a second part where --**

17 A Correct.

18 **Q -- they put in how much they actually**
19 **wanted to -- put how much money they were -- or how**
20 **much Ether they were willing to spend; is that right?**

21 A Correct.

22 **Q So were you and Kik executives sort of**
23 **paying attention to what people said in the -- in that**
24 **registration process?**

25 A Yeah. But there's context there. So,

Page 195

1 again, I didn't run that piece, but the context of it
2 is that, one, we wanted -- we asked people to register,
3 because we knew that we were going to KYC them, which
4 is, again, a very unusual -- that was a -- that was a
5 risk, to be honest. Because in most of these
6 blockchain projects that did token events, they weren't
7 doing that.

8 We felt strongly that we wanted to --
9 again, we were trying to be as buttoned up as possible
10 to make sure that this was right. So that was one
11 piece of it. And the other piece of it was trying to
12 gauge interest. Because, again, the goal was to have
13 as many people participate as possible. So the idea
14 behind getting people to register is that we can engage
15 them in conversations, they can ask questions, you
16 know, those types of things.

17 And you sort of knew sort of the volume of
18 interest or the potential pool of people who might be
19 interested in participating in the project. At which
20 point, you can make some decisions along how you were
21 going to allow them to participate. So whether you
22 would let one person come in and just try to take up
23 all the Kin, or if you would make it more fair and
24 equitable and make sure that you had as many people as
25 possible who would then want to actually -- who, like,

Page 196

1 had a vested interest in the success of Kin, which
2 really meant that they would want to use Kin to -- with
3 additional services across the web. So that was sort
4 of the context behind all of those things.

5 **Q Sitting here today, do you know why people**
6 **bought Kin tokens?**

7 MR. CADIGAN: Objection.

8 THE WITNESS: I couldn't -- I couldn't -- I
9 couldn't gauge their motivation. All I can say is that
10 I would assume that they were committed to the project.

11 BY MR. MITCHELL:

12 **Q Why?**

13 A Because they believed in the vision.

14 **Q But what makes you assume that?**

15 A I mean, I can't. I'm just -- these are --
16 why else would somebody want to do that? Like
17 that's -- that would be my motivation. I can't assume
18 what somebody else did. And, again, I didn't
19 participate in the token event, nor am I a holder of
20 Kin. So I would just be making assumptions.

21 MR. LEASURE: Is there data out there that
22 you're aware of that would give insight as to why
23 people bought Kin.

24 THE WITNESS: I think that some of the
25 things that are unique about Kin, so more objectively,

Page 197

1 is that it was meant -- you know, again, it solves a
2 problem that plagues hundreds of thousands, tens of
3 thousands of digital services. And I think in a world
4 where those services struggle to survive, you risk the
5 world where there is, like, lack of innovation. I'm a
6 parent. I hated the idea of my kids growing up with,
7 like, three choices of places to get information or to
8 find entertainment. That bums me out.

9 And then the other thing that was unique is
10 that, you know, cryptocurrencies and the use of the
11 blockchain have been very much not a consumer
12 application. And Kik was introducing it to a consumer
13 base in a really relevant way for the first time.

14 MR. LEASURE: Okay. And I apologize. I
15 think I was asking something slightly different.

16 THE WITNESS: Oh, I'm sorry.

17 MR. LEASURE: That's quite all right. We
18 saw this morning that there was a survey done by
19 CoinFund, correct?

20 THE WITNESS: Yes.

21 MR. LEASURE: Okay. And within that were
22 questions about -- I think we reviewed them -- what
23 might motivate someone to look at a project like this,
24 correct?

25 THE WITNESS: Right.

Page 198

1 MR. LEASURE: Was there any survey done of
 2 the actual Kin purchaser, people in the public who
 3 actually wound up buying, assessing what their
 4 motivations were?
 5 THE WITNESS: I wouldn't know the answer to
 6 that.
 7 MR. LEASURE: You're not aware of any?
 8 THE WITNESS: I'm not, no. Again, because
 9 I -- I left. I left literally when the token event
 10 completed.
 11 MR. LEASURE: Okay. Do you know --
 12 obviously, there's a lot of different people who bought
 13 Kin. Do you have knowledge about demographically the
 14 types of people who bought Kin?
 15 THE WITNESS: I don't firsthand. I do not.
 16 MR. LEASURE: Kik did, though, correct, had
 17 that information?
 18 THE WITNESS: Well, part of registration
 19 would assume they would have to have that information.
 20 But I don't recall if that information was collected,
 21 right? So KYC was just making sure that you were a
 22 real and genuine person.
 23 MR. LEASURE: Right.
 24 THE WITNESS: I don't recall. I'm not sure
 25 they collected any. I mean, that was done by a third

Page 199

1 party, as any verification is done by.
 2 MR. LEASURE: Do you know the average age
 3 of the Kin purchasers?
 4 THE WITNESS: I don't know off the top of
 5 my head. Sorry.
 6 MR. LEASURE: Was Kin age restricted?
 7 THE WITNESS: I believe so.
 8 MR. LEASURE: Over 18?
 9 THE WITNESS: Probably 18 plus.
 10 MR. LEASURE: Okay. 18 plus. Do you know
 11 if most of the purchasers -- let me ask that a better
 12 way. Were most of the purchasers of Kin Kik messaging
 13 app users?
 14 THE WITNESS: I wouldn't know the answer to
 15 that.
 16 MR. LEASURE: But you didn't have to be a
 17 Kik messenger app user?
 18 THE WITNESS: You did not have to be a Kik
 19 messenger app user.
 20 MR. LEASURE: Do you --
 21 THE WITNESS: But to -- I'm sorry. But to
 22 access your Kin, you did.
 23 MR. LEASURE: Right.
 24 THE WITNESS: So -- yes. So in essence,
 25 everyone who holds Kin is likely a Kik messenger app

Page 200

1 user.
 2 MR. LEASURE: At least after they bought
 3 Kin, to get access to their Kin, they --
 4 THE WITNESS: Yeah. But I wouldn't know.
 5 I would have no knowledge of the breakdown or how that
 6 worked.
 7 MR. LEASURE: Do you have any sense of the
 8 overlap between two groups? The one group being Kik
 9 messenger app users, right? And then on the other
 10 side, Kin purchasers. Do you know if there's a
 11 complete identity of interest, completely different
 12 sets of people?
 13 THE WITNESS: I wouldn't. I think that was
 14 the same question. Yes. Yeah. No, I wouldn't. I
 15 wouldn't. I mean, I just -- I wouldn't -- I don't
 16 recall any piece of information coming across my desk
 17 before I left that told us, like, the overlap of the
 18 people who purchased Kin who were already Kik users or
 19 people who were Kik users who registered for Kin. I
 20 wouldn't -- is that what you're asking?
 21 MR. LEASURE: Yes.
 22 THE WITNESS: Yeah. No. I mean, I
 23 would -- yeah, I don't think that we -- I don't recall
 24 seeing that piece of information, no.
 25 MR. SCHLEGELMILCH: There was, like, a

Page 201

1 presale. We talked about the SAFT, which was the short
 2 agreement for future tokens. Did I get that right? Is
 3 that what that is? I'm looking for a confirmation from
 4 my colleagues. No? Simple agreement for future
 5 tokens?
 6 THE WITNESS: It's short.
 7 MR. SCHLEGELMILCH: Well, it is short.
 8 It's shorter. Do you know whether the people who
 9 bought pursuant to the simple agreement for future
 10 tokens, whether they had accredited investor
 11 requirement?
 12 THE WITNESS: I'm not the best person to
 13 ask that. But the term "accredited investor" was used.
 14 So I would assume that they were -- I don't know. I
 15 wasn't -- I wasn't part of that process.
 16 MR. SCHLEGELMILCH: Okay. And let me go
 17 ahead and ask the question that I think you mentioned
 18 the answer here. Do you know the identity of any of
 19 the purchasers in sort of that pre-period, that simple
 20 agreement for future token purchase period?
 21 THE WITNESS: Other than if Betaworks
 22 signed on, which I actually don't recall if that was
 23 true, I think maybe they did, I wouldn't know them off
 24 the top of my head. If you mentioned them, maybe I'd
 25 recognize it, but I wouldn't know them off the top of

Page 202

1 my head at all.
 2 MR. SCHLEGELMILCH: Like Fortress hedge
 3 fund?
 4 MR. MURTHA: Pantera?
 5 THE WITNESS: Pantera doesn't sound
 6 familiar. Again, I wasn't -- it's not -- it's not my
 7 area of focus. Yeah.
 8 MR. MURTHA: Okay. All right.
 9 Understanding you didn't know the demographics of the
 10 actual purchasers of Kin, during your time as the head
 11 of marketing at Kik, did you know who Kik's target
 12 audience for the token sale was?
 13 THE WITNESS: Kik's target audience?
 14 MR. MURTHA: Yeah.
 15 THE WITNESS: From a demographic -- what
 16 are you asking? Sorry. From a demographic point of
 17 view?
 18 MR. MURTHA: Yeah. Who was Kik targeting
 19 to purchase the tokens?
 20 THE WITNESS: Crypto enthusiasts and people
 21 who believe in the project.
 22 MR. MURTHA: And that doesn't span any
 23 specific age range in your mind?
 24 THE WITNESS: Well, much of the research
 25 that I think was present in here, if you read about

Page 204

1 participate. So as part of registration and KYC,
 2 people basically had to indicate a range of what they
 3 might be considering. Like just as it's leading up to
 4 the token event, so after all the materials have been
 5 done. And the reason that that was done is that the
 6 company decided to put sort of filters or restrictions
 7 on the amount people were willing -- or were able to
 8 actually purchase in the token events in the first
 9 24 hours, let's say. And, again, because they wanted
 10 to build this big of a community of these Kin
 11 enthusiasts that they could. So that's what that's
 12 referring to.
 13 **Q And then in later rounds, people could**
 14 **purchase them more?**
 15 A Yeah. I think at some point, they sort of
 16 opened it up again for people, if they were interested
 17 in continuing to purchase.
 18 **Q And did you suggest that Kik reach out to**
 19 **people who had said they wanted to invest at higher**
 20 **levels to sort of let them know that they're going to**
 21 **have a chance to do that later?**
 22 A I don't recall directly. I mean, I do
 23 recall conversations about sort of -- there was sort of
 24 this balance between, you know, again, the tenets of
 25 the blockchain, fair, open, transparent, all that

Page 203

1 crypto, a lot of it is sort of a younger demographic,
 2 people who were tech savvy, digital savvy, high risk
 3 profilers, things like that, in cryptocurrencies. They
 4 tend to be younger than a typical investor.
 5 MR. MITCHELL: I'm just going to mark this
 6 as 87.
 7 (SEC Exhibit No. 87 was marked for
 8 identification.)
 9 BY MR. MITCHELL:
 10 **Q 87 is just a one-page e-mail, Kik_00125499.**
 11 **It appears to be an e-mail from you to Ms. Kim dated**
 12 **September 6th, 2007?**
 13 A Yes.
 14 **Q Do you recognize the document?**
 15 A I do.
 16 **Q What is it?**
 17 A An e-mail from me to Hayeon Kim, asking
 18 about the interest of non-China participants.
 19 **Q And you ask, "What is the distribution of**
 20 **amount they want to invest?"**
 21 A Yes.
 22 **Q Why did you ask that?**
 23 A So I sort of gave a brief overview before,
 24 but the company -- Kik had decided that they wanted as
 25 many people from the interested community to be able to

Page 205

1 stuff. But we also didn't want to close the door on
 2 people who -- you know, again, you're using, like,
 3 people's information that they're willing to put on a
 4 form. So you also weren't certain how much of that was
 5 true, so people who had indicated they wanted to do
 6 more.
 7 At some point, I recall conversations, but
 8 not specific ones, about, you know, do we let them know
 9 that they're going to be able to or you just shut the
 10 door. Again, just going back to the theme of we just
 11 were working without a blueprint really. So...
 12 **Q But you did want to try to cater to the**
 13 **people who would -- who potentially had said they**
 14 **wanted to invest more?**
 15 A I mean, again, I don't recall directly, but
 16 it's certainly fair in the end. But I think that the
 17 primary focus was how can you make this fair and
 18 transparent and, like, encourage the most participation
 19 possible. That was the, like, the primary focus. In
 20 this document, I believe, that the timestamp or the
 21 date stamp was very much trying to figure out what was
 22 the right filters for that. And -- sorry.
 23 And importantly, I guess, because there was
 24 a finite amount of tokens, and you want as many of that
 25 in play in the economy long term as humanly possible,

Page 206

1 so this was a very -- it's a balancing act.

2 **Q Between what?**

3 A Between making -- like we wanted -- we did
4 want to put the wrong filters in place, right? And you
5 were basically doing it off of mean or median and not
6 any -- like, people, like, you know, wake up one day
7 and they think, "Oh, I want two Kin tokens." And then
8 two weeks, when they actually had the opportunity, if
9 they want ten, you say, well, you can just have two,
10 sorry. I think we're just trying to figure out what
11 was fair and open so that you could actually create the
12 largest community and have long term all of these Kin
13 tokens in place, so people all over could use them,
14 digital services can adopt them, and all that kind of
15 stuff, is what I think of it.

16 MR. MITCHELL: Okay. I say we take a final
17 break. We're going to go off the record at 3:11.

18 (A brief recess was taken.)

19 MR. MITCHELL: We're going to go back on
20 the record at 3:19. We're going to go back on the
21 record at 3:19 p.m.

22 BY MR. MITCHELL:

23 **Q During the break, did you have any**
24 **substantive conversations about the case with the**
25 **staff?**

Page 207

1 A No.

2 **Q Okay. I'm going to give you what I'm going**
3 **to ask the court reporter -- well, I'll tell you what.**
4 **It already has a sticker on it. So I'm just going**
5 **to -- I'll ask the court reporter to mark it as 88.**

6 (SEC Exhibit No. 88 was marked for
7 identification.)

8 BY MR. MITCHELL:

9 **Q This is one of the May 25th press releases.**
10 **Do you recognize it?**

11 A I do.

12 **Q There were two press releases that day.**
13 **Do you remember that?**

14 A Vaguely.

15 **Q You don't have to remember, that's fine.**

16 A Vaguely.

17 **Q Do you remember why there were two?**

18 A You know, I don't off the top of my head.

19 **Q Well, let me just ask you about this. What**
20 **was this sort of -- what was this press release for?**

21 A This was just an introduction of the
22 project.

23 **Q Okay. And earlier, we discussed generally**
24 **who works on press releases, who works in the language.**
25 **Do you remember who?**

Page 208

1 A Yeah. Rod would have loved this. We had a
2 fair agency at the time.

3 **Q Would you have reviewed it?**

4 A I'm sure I have seen it, yes, of course.

5 **Q And would Mr. Livingston have reviewed**
6 **it --**

7 A Yes.

8 **Q -- before it went out?**

9 A Yes.

10 **Q So what was -- this was also just**
11 **published -- posted on Kik's website?**

12 A It was likely posted on Kik's website. But
13 the more -- the purpose of putting out a press release
14 is to garner interest from the press in the hopes that
15 they would want to go deeper in the story. So this
16 distributed across the PR news wire that they do -- and
17 then -- yeah, then we shared this on our blog and
18 website I'm sure.

19 **Q Okay. And there are -- there's an opening**
20 **section and there's a quote from Mr. Livingston. And**
21 **there's the subhead that Kin cryptocurrency in the Kin**
22 **Foundation. Do you see where that is? Do you see the**
23 **subhead the Kin cryptocurrency in the Kin Foundation?**

24 A Yes.

25 **Q And then it says, "Through advances in**

Page 209

1 **cryptocurrency and a blockchain technology, Kik plans**
2 **to create a decentralized ecosystem of digital services**
3 **through four steps."**

4 A Yes.

5 **Q Was that true at the time?**

6 A Yes. It's exactly what's in the white
7 paper for pieces of the project.

8 **Q Okay. So that was going to be my question.**
9 **Why are these four -- that it lists four -- there are**
10 **four things on the list. Why were these four things in**
11 **the press release?**

12 A These are the four major steps of realizing
13 the vision of the Kin project. So first, you have to
14 create the currency, then you have to integrate it into
15 Kik to give it value. So there is a usefulness of the
16 currency, instructions of the transactions and learning
17 about how people want to earn and redeem Kin. And
18 then, simultaneously, as you fill up this ecosystem,
19 you would build up the Kin rewards engine, and then you
20 would need a fair and governing bodies to make sure
21 that it was continuing to be open, fair, decentralized.
22 Those are the four pieces of the project.

23 **Q And the first one, when you say that it**
24 **created -- this says create the Kin cryptocurrency on**
25 **Ethereum. Is that the Ethereum blockchain?**

Page 210

1 A Yes.

2 **Q And when you were at Kik, did Kik think**
3 **that it could just run the entire Kin project on the**
4 **Ethereum blockchain?**

5 A Not my area of expertise, but that was
6 certainly discussed in the hope. I think going back to
7 it was -- there was no blueprint, gray area, like a lot
8 of stuff had never been done. But, yeah, that was
9 certainly the plan.

10 **Q So when you -- let's say the time you left**
11 **Kik --**

12 A This was all still accurate.

13 **Q It was accurate that this was the plan?**

14 A Yes.

15 **Q Had the Kin Foundation been -- was the Kin**
16 **Foundation operational when you left?**

17 A No. Nor was it meant to be, per the white
18 paper.

19 **Q Okay. Was the Kin rewards engine in**
20 **operation?**

21 A Same answer. No.

22 **Q Was Kik integrated into Kin -- I'm sorry.**
23 **Was Kin integrated into the Kik app?**

24 A At the time of this press release, no,
25 because Kin didn't exist.

Page 211

1 **Q What about at the time you left?**

2 A Yes. I believe so, yes.

3 **Q In what way?**

4 A There was a way that you could use Kin
5 inside of Kik.

6 **Q Which was the stickers --**
7 **(Simultaneous speakers.)**

8 A -- that we discussed.

9 **Q So this says Kin would be adopted -- sorry.**
10 **On the second page, at the top.**

11 A Uh-huh.

12 **Q "Kin will be adopted as the transaction**
13 **currency inside of the Kik app."**

14 **So let me ask a slightly different**
15 **question. When you left, was Kin the transaction**
16 **currency inside of the Kik app?**

17 A Kin will be adopted. I left literally at
18 the moment that the Kin token was over.

19 **Q Right.**

20 A So in the moment I walked out of the
21 building, probably not. But, yes, like -- yes, that
22 was the currency inside of the Kik app, like, that was
23 the plan.

24 **Q Sorry. That was the plan or it was**
25 **actually being used for transactions inside the Kik**

Page 212

1 **app?**

2 A I think I just answered that, didn't I?

3 **Q Right. If you did, I apologize, I**
4 **misunderstand.**

5 A When the token event ended and people were
6 able to obtain Kin, they could use it inside of Kik in
7 exchange for the stickers, as we discussed. That is my
8 understanding of the timeline.

9 **Q So the transaction is they could give Kin**
10 **tokens and they would get stickers?**

11 A Again, you'd have to dive into the IPL and,
12 like, the -- how it actually worked with the product
13 team, or somebody who can represent them better than I
14 can.

15 **Q Okay. So just sitting here today, were you**
16 **aware of any -- when you left, do you know whether Kin**
17 **could be used as a transaction currency inside the Kik**
18 **app at the time you left?**

19 A I do not know, no.

20 **Q Okay.**

21 MR. LEASURE: Why did you leave Kik?

22 THE WITNESS: You know, I left for a couple
23 of reasons. You know, one is, again, going back to my
24 resume. The job that -- like, the jobs that I've held
25 are quite different than what ended up being my role at

Page 213

1 Kik. It was a great experience and I learned a lot,
2 but it wasn't -- it wasn't professionally satisfying or
3 getting me to the right place. So that was one of the
4 reasons. And then in this world of blockchain and
5 cryptocurrency, I believed in the Kin project.

6 I was thrilled to be able to learn a lot of
7 things. But I'm really not a crypto enthusiast. It's
8 confusing to me, as evidenced by some of my inability
9 to answer some of these questions. And it's not just a
10 space that I want to spend sort of my next phase of my
11 career on.

12 MR. LEASURE: So is it right then the Kik,
13 the company -- I'm not saying the majority -- changed
14 around you, and it wasn't the space that you wanted to
15 keep working on?

16 THE WITNESS: Right. That's right.

17 MR. LEASURE: Did Kik buy Google or
18 Facebook ads in connection with the Kin offering?

19 THE WITNESS: You know, I don't recall if
20 those were executed or not. I know it was discussed.
21 Part of it was what are all of these other token events
22 doing. You mean, like, how -- like, how do you
23 actually let people know? We weren't really sure. And
24 some companies did use retargeting on Facebook to do
25 that. So people who, like, were reading, like, you

Page 214

1 know, crypto news today and all of those things. I
2 don't actually recall if we ended up executing those
3 buys or not, but it was -- it was just like something
4 that was discussed at one point.

5 MR. LEASURE: Okay.

6 THE WITNESS: And it would be to drive
7 registration, like not to get people to the event
8 itself, because we weren't -- like that -- you had --
9 the registration happened at least a month before the
10 event actually happened.

11 MR. LEASURE: Let me show you a document
12 and see if this helps. I think we'll have this marked
13 as Exhibit 89.

14 (SEC Exhibit No. 89 was marked for
15 identification.)

16 MR. LEASURE: Take a look at Exhibit 89 and
17 let me know when you're ready. I'll identify, while
18 you're doing it, it as a multi-page printout of an
19 e-mail chain ending September 15th, 2017, with the
20 subject "TDE Media/Tape 2."

21 THE WITNESS: Right.

22 MR. LEASURE: It begins with the Bates
23 stamp Kik_70152.

24 THE WITNESS: Yes.

25 MR. LEASURE: And we're hearing a lot of

Page 216

1 THE WITNESS: I'm sorry. It's a document
2 from me to Hayeon Kim and to Natasha Shine-Zirkel
3 regarding TDE Media/Tape 2.

4 MR. LEASURE: Natasha Shine-Zirkel, that
5 last name is S-h-i-n-e, hyphen, Z-i-r-k-e-l.

6 THE WITNESS: Yes.

7 MR. LEASURE: Who is she?

8 THE WITNESS: Natasha was the chief
9 marketing officer of the company called Rounds that was
10 acquired by Kik at the end of 2016. And she joined my
11 team in a product marketing capacity and then taking up
12 a lot of this work over time.

13 MR. LEASURE: She worked for you at this
14 time?

15 THE WITNESS: At this time, she did, yes.

16 MR. LEASURE: And she writes, "Hiya. Here
17 is a summary of the first media campaign."

18 THE WITNESS: Yes.

19 MR. LEASURE: So is this -- does this
20 refresh your recollection that there had been some
21 effort?

22 THE WITNESS: Yes.

23 MR. LEASURE: Okay. Fine. It's been a
24 long -- I don't know if I've ever been involved in,
25 like, Google Ads, but you worked for Google. How did

Page 215

1 rights and yes over there.

2 THE WITNESS: Yes.

3 MR. LEASURE: Does this help you with any
4 recollection about --

5 THE WITNESS: Yeah. Yeah, we did. I mean,
6 again -- like, again, I think I mentioned I was in
7 Montauk all of August. So this is when I came back.
8 I -- yeah. I think we ran this. I'm pretty sure that
9 I ended it pretty quickly, because I actually -- I
10 don't think that it was yielding results.

11 But, yeah, I recall. Like I said, I
12 remember discussing that other companies did it. It
13 would really be about driving -- September 14th,
14 though. Again, yes, familiar, I wrote. You probably
15 have a question about this.

16 MR. LEASURE: What did you just say? I'm
17 sorry. I just want to make sure.

18 THE WITNESS: Sorry. I mean, I -- like I
19 said, you know, I know that we discussed running the
20 media. I wasn't certain if we did. It looks like we
21 did. I couldn't tell you for how long it ran. But if
22 I recall correctly, it did not run for very long.

23 MR. LEASURE: Okay. Got it. Let me do a
24 few of the document questions that you probably are
25 used to. What is this document?

Page 217

1 this campaign work? Let's start with the Google
2 campaign. Do you know how it worked?

3 THE WITNESS: You know, I could tell you
4 how Google campaigns worked. I couldn't tell you the
5 specifics of, like, this campaign.

6 MR. LEASURE: You didn't do this
7 personally?

8 THE WITNESS: No. I mean, Natasha did it.
9 And I likely had to approve a budget.

10 MR. LEASURE: Okay.

11 THE WITNESS: But my -- you know, my
12 recollection is that this would be about sort of a
13 final -- like, before registration closed, to catch
14 people who might be interested in the project who
15 didn't know about it, and to get them to register.

16 MR. LEASURE: Can I ask for -- it's based
17 on your experience with -- generally with online
18 campaign and Google advertisements. Can I ask for your
19 informed speculation as to how the Kin campaign -- what
20 your sense is, how it likely worked in this instance?

21 THE WITNESS: I mean, I think if I were to,
22 you know, speculate, I would say that there was some
23 AdWords messaging around the Kin project to
24 decentralize ecosystem to power our daily lives, is
25 what we normally said. Find out about the project

Page 218

1 here, and it would take you to our website to read the
2 white paper and choose whether or not you want to
3 register.

4 MR. LEASURE: Let me ask you a basic
5 question. When you run the AdWords campaign, do you
6 use targeted keywords? Do you target certain
7 audiences? How does that work generally?

8 THE WITNESS: So gratefully, I haven't had
9 to run an AdWords campaign in about ten years.

10 MR. LEASURE: Right.

11 THE WITNESS: But you can do keyword
12 targeting. You can do geographical targeting. You can
13 do interest-based targeting, so people who are crypto
14 enthusiasts. Things like that.

15 MR. LEASURE: If we wanted to know what Kik
16 did in this particular campaign for Kin, how would we
17 be best go about finding that?

18 THE WITNESS: Excellent question. So the
19 nature of these campaigns, you would find it on a
20 spreadsheet. They're not creative. It's just copy.

21 MR. LEASURE: Can you explain that to me.

22 THE WITNESS: Yeah. So the way that
23 AdWords are -- ads are created is that there is a
24 headline. There's a subject line. There is a cost per
25 click price that you're running. This is just typical

Page 220

1 THE WITNESS: That's my recollection
2 from -- again, I think it probably works similarly. I
3 don't know.

4 MR. LEASURE: Okay.

5 But you don't know
6 what exactly terms were --

7 THE WITNESS: I don't know exactly what
8 terms were used here, no. I would not know that.

9 MR. LEASURE: And do you know if in this
10 campaign there were certain audiences or types of users
11 that were targeted?

12 THE WITNESS: I don't. I mean, again,
13 again, we're looking for people who wanted to register
14 to learn about the project, and participants to
15 potentially participate in it. So any term that would
16 do that.

17 I can't see the numbers on it. It's too
18 small. But it's -- you know, it's quite small, the
19 marketing campaign.

20 MR. LEASURE: You're not talking about the
21 text. You're saying that the --

22 THE WITNESS: I am talking -- I mean, I
23 can't really see the text, but yeah.

24 MR. LEASURE: It sounds like you were
25 saying this -- was this a large or small marketing

Page 219

1 AdWords. I'm not even speaking about this particular
2 item, Exhibit 89. And then that would turn into what
3 you see at the top of Google.

4 MR. LEASURE: Do you know if Natasha or
5 anyone else at Kik targeted a set of terms?

6 THE WITNESS: I'm sure they targeted all --
7 I mean, usually, it's hundreds or thousands of terms,
8 plural, hyphen, misspelled, around token events,
9 cryptocurrencies, blockchain projects, Ethereum
10 projects, publications they might read. I mean,
11 there's lots of different ways that you -- I don't know
12 specifically for this.

13 MR. LEASURE: But -- and, again, forgive
14 the basic questions.

15 Does -- in this case, the
16 customer, Kik, does Kik write those terms? Does Google
17 provide those terms? How does it work?

18 THE WITNESS: Again, it's been a really
19 long time.

20 I've never used a self-serve Google tool.
21 But from back in the day, you could write a series of
22 ten terms, and they'll spit out a hundred.

23 MR. LEASURE: Got it. Google has magic
24 algorithms. You give them some sense of the terms you
25 want --

Page 221

1 campaign?

2 THE WITNESS: So in the field of Kik, it
3 was pretty significant, because Kik didn't do a lot of
4 marketing.

5 But typically speaking, would Kin get a ton
6 of exposure of this type of a budget on Facebook and
7 Google? No.

8 MR. MURTHA: Earlier, you had -- when we
9 were first -- before we had showed you Exhibit 89, you
10 had recalled Facebook or Google marketing campaign, and
11 you had thought that had taken place maybe back in May
12 or June, to drive registration. Do you remember that?

13 THE WITNESS: Well, during this part --
14 this conversation we had just a few minutes ago you
15 mean?

16 MR. MURTHA: Yeah, yeah, yeah.

17 THE WITNESS: Yeah, I remember that.

18 MR. MURTHA: That was earlier.

19 THE WITNESS: I wasn't -- I wasn't time
20 stamping it, though.

21 I was saying that it would have
22 occurred before the actual token event, because there
23 was a registration process, and registration ended. So
24 any marketing that happened, whether it was in May or
25 September 14th had to happen before the close of

Page 222

1 registration.

2 MR. MURTHA: Okay. Do you know when the

3 token distribution of them actually began?

4 THE WITNESS: After September 14th, end of

5 September.

6 MR. MURTHA: How about registration?

7 THE WITNESS: Registration began -- that's

8 a great question. I don't remember the time. In the

9 summer.

10 MR. LEASURE: In connection with the

11 marketing of Kin, did potential -- were potential

12 purchasers of Kin given Kik's financial statements?

13 THE WITNESS: No. No.

14 MR. LEASURE: Did any of them ask for them.

15 THE WITNESS: Not to my recollection, no.

16 MR. LEASURE: Was there ever any discussion

17 within Kik about whether to give -- to provide Kik's

18 financial statements to potential purchasers?

19 THE WITNESS: No. I don't -- I just -- I

20 don't recall it. I'm -- I don't think it was relevant.

21 MR. LEASURE: Sitting here today, you don't

22 think it's relevant?

23 THE WITNESS: No.

24 MR. LEASURE: Okay. How about same set of

25 questions.

Page 223

1 I want to turn to -- I think you said at

2 this -- earlier today, this morning, I think you said

3 that when you came on board to Kik, back in the day,

4 that for the Kik messenger app, user growth was

5 declining; is that right?

6 THE WITNESS: Correct.

7 MR. LEASURE: Okay. So I'm going to ask

8 the same questions about that. Were purchasers of Kin

9 told that Kik had declined in user growth?

10 THE WITNESS: I don't recall explicit

11 conversations.

12 But anyone who reads the white paper or

13 anything about Kik would know that. I mean, those

14 numbers are disclosed at some points. Kik disclosed

15 huge numbers of their active user base. And in the

16 white paper, they were very clear about the accurate

17 number in that moment.

18 So I'm not sure if they explicitly said

19 we've gone from this number to this number. But all of

20 that information had been quite transparent for anyone

21 who wanted to dig in.

22 MR. LEASURE: So potential purchasers could

23 know that Kik's user base was declining over time?

24 THE WITNESS: If they dug in, sure.

25 BY MR. MITCHELL:

Page 224

1 **Q How would they know that?**

2 A You could Google Kik. And you would read

3 the latest news about even, like, the last investment.

4 I mean, all of this information is quite public. I

5 mean, the financial statements wouldn't. They were a

6 private company.

7 But a lot of those numbers were made

8 quite public.

9 Anyone can go into App Annie. And

10 that's -- there are all sort of public places that you

11 can use.

12 Google Analytics and Google Trends. But

13 numbers had been disclosed by Kik about their user base

14 versus the numbers that are in the white paper were

15 accurate and true and showed declining growth.

16 **Q So these are your attorneys. I do not**

17 **intend to ask any questions that trigger you to say,**

18 **"These guys told to me this one," to understand what**

19 **you talked to them about.**

20 **I'm just going to ask you**

21 **some real basic questions.**

22 A Okay.

23 **Q What did you do -- what did you do to**

24 **prepare for today?**

25 A I discussed what to expect with my

Page 225

1 attorneys.

2 **Q Sounds great. And did you meet with them**

3 **in person?**

4 A No. Over the phone.

5 **Q How long did you spend?**

6 A In total, five hours-ish.

7 **Q Did you review any documents?**

8 A We did take a look at a couple of

9 documents, yes.

10 **Q And did the documents refresh your**

11 **recollection or help you remember things?**

12 A Sure.

13 **Q Other than lawyers from Cooley, have you**

14 **discussed today's testimony with anybody else?**

15 A No.

16 **Q Any current Kik employees?**

17 A No.

18 **Q Any former Kik employees?**

19 A No.

20 **Q Any lawyers for anybody else?**

21 A No.

22 **Q So do you guys -- the entities -- well,**

23 **first, I'll offer -- look, we really appreciate your**

24 **time. We noticed a full day out of your life. And you**

25 **got in the early train and you're going back in the**

Page 226

1 late train.

2 But it's been very, very helpful. And we
3 tried to keep it moving so that we keep it limited.

4 We always offer folks, at this point, is
5 there anything that you want to amend or supplement
6 something we asked that you feel like you didn't get a
7 full answer out or anything like that?

8 A No. Nothing that stands out, no.

9 MR. MITCHELL: Anything that you guys
10 wanted to --

11 MR. CADIGAN: No. Thank you, though.

12 MR. MITCHELL: Okay.

13 Do you want to ask
14 her any questions?

15 MR. CADIGAN: No.

16 MR. MITCHELL: Okay. Then we are going to
17 go off the record at 3:41.

18 (Whereupon, at 3:41 p.m., the examination
19 was concluded.)

20 * * * * *

Page 225

1 PROOFREADER'S CERTIFICATE

2
3 In the Matter of: KIK INTERACTIVE

4 Witness: Erin Clift

5 File Number: HO-13388-A

6 Date: Thursday, July 26, 2018

7 Location: Washington, D.C.

8
9 This is to certify that I, Christine Boyce, (the
10 undersigned) do hereby swear and affirm that the attached
11 proceedings before the U.S. Securities and Exchange
12 Commission were held according to the record, and that
13 this is the original, complete, true and accurate
14 transcript, which has been compared with the reporting or
15 recording accomplished at the hearing.

16
17
18 _____
19 (Proofreader's Name) (Date)